

APRIL 20, 1936

TWENTY CENTS

APR 23 1936

# Sales management

Price Policy Problems  
in the Fight Against  
Private Brands

How P. H. Davis Co.  
Recruits 500 Salesmen  
a Year by Mail

More Argument on the  
Subject of Company  
Purchases for Employees

Designing to Sell

THE MAGAZINE OF MODERN MARKETING



## THE SALESMAN . . .

**YOUR** *salesman leaves behind*



Men who aren't even on your payroll often have to bear the brunt of your selling . . . the purchasing agents, the chief engineers, the department heads who must get your product accepted by the top executives of their companies.

How effective they are in helping you make your sales depends to a large extent on how much help you have given them in selling their own company.

FORTUNE, reaching in addition to top executives many other men in important positions, is uniquely effective in supplementing and aiding your own sales staff. For example, in one large electrical company, FORTUNE has 248 subscribers from Board Chairman to Plant Superintendents, from Vice-Presidents to Purchasing Agents. In a major oil company there are 92 FORTUNE subscribers. In almost any company —big or little—a large proportion of key men are enthusiastic FORTUNE subscribers.

It costs amazingly little for a campaign in FORTUNE which does the double job of helping your own staff as well as the salesmen your salesmen leave behind.

**FORTUNE**

135 East 42nd Street, New York



Photo by Clyde T. Brown

# DRIVE *it* HOME IN 1936

THIS is no time for rubber bayonets or honeyed words. If you've got something the people ought to buy, make up your mind WHY and then . . . DRIVE IT HOME!

Chicago is your second biggest market! At this time, your one big dependable market! The one spot on the map, which you know will make its quota, no matter what the rest of the country does! Chicago is the economic capital of the nation, located a stone's throw from the center of wealth and of population. And, mind you, THERE'S LESS WOBBLE AT THE HUB.

And the economic capital of Chicago is THE TYPICAL DAILY NEWS HOME.

Better than 400,000 of the most substantial and able-to-buy families in Chicago read THE CHICAGO DAILY NEWS every night WITHIN DOORS.

These are the families that either make or break every sales program leveled against the Chicago market . . . and you might just as well get them over on YOUR SIDE.

The great influence that The Daily News exerts in Chicago is demonstrated by its lineage record for 1935:

- ... over a million lines MORE total display advertising
- ... over a million lines MORE retail advertising
- ... over a million lines MORE department store advertising than any other Chicago newspaper . . . morning, evening or Sunday

Use THE CHICAGO DAILY NEWS and drive your message . . . HOME!

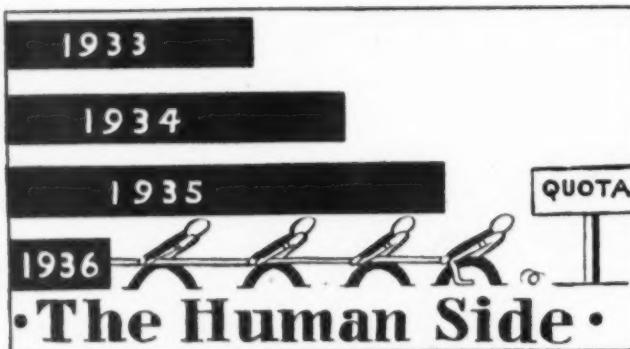
## THE CHICAGO DAILY NEWS

*-Chicago's Home Newspaper*  
400 W. MADISON ST., CHICAGO

GEORGE A. McDEVITT CO., Eastern Advertising Representatives, 444 Madison Ave., NEW YORK, 12 S. 12th St., PHILADELPHIA  
JAMES L. LENOX, Eastern Representative Photogravure, Color Comics and Retail, 444 Madison Avenue, NEW YORK

APRIL 20, 1936

[ 605 ]



## Read, Weep, Then Dash to the Rescue

*Vogue* got itself talked about some weeks ago by printing the results of a survey on what college men like in feminine apparel. As we remember it, slinky dresses won out over frou-frou, sports clothes over dressier things, and red finger nails were tabooed. The hats are terrible, averred the men.

Perhaps because the gals howled for a chance to express themselves similarly about men's dress—more likely because the astute editor of *Vogue* had thought it would make another good article—the April issue of this magazine is out with the ladies doing the talking.

Men's wear manufacturers should read it, weep, then dash out and do something to reform college male fashions. Their advertising can say authoritatively now that you can't win favor in feminine eyes if you wear dirty white shoes in winter, forget your garters, cleave to bow ties, or use greasy hair tonic. These were all listed by the college girls as being "pet peeves."

The girls begged, yea—even pleaded—for more dates in "tails," and they expressed particular preference for camel's hair coats, casual sports clothes, tweeds with an English air.

Untidiness in male dress was the prime complaint. Said one lass: "Men usually do most of the talking, so that leaves the girls a lot of time to observe them."

## Radio Looks Ahead

Pebeco has Eddie Cantor; A & P boasts of Kate Smith; Rudy Vallee continues as a bright star in the Fleischmann firmament. But what entertainers are these advertisers going to build their commercial announcements around a year, five years, ten years hence? Radio is proud of its current crop of favorites, yet it is not neglecting to look for and groom tenderly artists who may develop into future big names.

"A radio performer, whether he specializes in opera, comedy or popular songs, must have commercial possibilities—something that can be sold," declares Columbia Broadcasting's Artists' Bureau. That network, like the others, never relaxes in the hunt for talent with "a broad popular appeal"—the thing all advertisers want and for which they pay.

CBS's Artists' Bureau gives auditions to as high as 5,000 in a year. Out of the many called, probably less than 10 are chosen and awarded contracts. The Bureau does not maintain any regular system of talent scouts, but it keeps an observant eye on the theatre, what's left of vaudeville, night clubs and the entertainment world in general. The number of radio performers drawn from such sources is, however, very small. Similarly, only a small part of the talent managed by the Bureau was strictly amateur at the time of audition.

Most of the artists who come to Columbia have already had a certain amount of professional experience. Some come from small stations all over the country—radio's "bush leagues." Others are recommended by agents. Before an audition the Bureau has a definite line on the artist's abilities.

SALES MANAGEMENT, published semi-monthly, on the first and fifteenth, except in April and October, when it is published three times a month and dated the first, tenth and twentieth; copyrighted and published by Sales Management, Inc., 420 Lexington Ave., New York, N. Y. Subscription price \$4.00 a year in advance. Entered as second-class matter June 1, 1928, at the Post Office, N. Y., under the Act of March 3, 1879. April 20, 1936. Volume XXXVIII. No. 9.

If the artist proves to be one of the grains of wheat in the pile of chaff, he is put on a sustaining program for a "build-up" with Mr. and Mrs. Dialtwister. An advertising sponsor is then not hard to sign.

As a sample of the lengths to which this "build-up" process sometimes goes, we cite the following from a brochure put out by one of the major networks. It was sent to ad agencies on the alert for promising newcomers. Beside a picture of an intoxicating sweetie-pie was this come-on:

"She is glamour incarnate! In the limpid beauty of her person is embodied all the silken allure and mystical enchantment of the eternal woman. To see her is to look upon a scented loveliness that holds the dark flame of a tantalizing ecstasy or the delicate aloofness of some exotic flower. The svelte sorcery of all this is transmuted into her singing. In her voice there is the haunting quality of a whispered intimacy and soft delight of warm persuasion. It may have the velvet sheen of a cress or the plaintive sigh of tremulous longing. Her song may be touched with petulant abandon of the receptive languor of a Southern night. We invite you to share the new thrill of Miss Blank's singing." And, by intimation, the network also invited agencies to rush around and sign up the newcomer.

Columbia points with satisfaction to Morton Downey, the Boswell sisters, Ted Husing, the Mills brothers, and Kate Smith as examples of radio unknowns who gained recognition under its tutelage.

National Broadcasting follows, in general, somewhat the same procedure in locating dark horses with potentialities. It has a sustaining period called "Airbreaks" where newcomers—professionals, not amateurs—do their stuff. Should the fan mail be favorable the dark horse gets a return engagement. Occasionally artists have returned to "Airbreaks" several times as preparatory training for a regular position on other sustaining or commercial programs.

To date, NBC is unable to exhibit an Ed Wynn or a Fred Allen brought to light by the "Airbreaks" program. However, it believes that Terri La Franconi, Corinna Mura, Nancy Nolan and Glenn Darwin, all youngsters who got an "Airbreak," are worth watching. The Charioteers, a Negro quartette now sponsored, likewise broke in on that period.

WOR, of the Mutual Broadcasting System, is holding a series of auditions right now for comedians from the stage, screen and other fields. Those with indications of the genuine spark will have trial sustaining periods.

This needle-in-the-haystack pursuit is unceasing. It's expensive and sometimes looks fruitless. Somewhere, though, somehow another Will Rogers or Amos 'n' Andy will turn up. Then advertisers will bid furiously to engage the star who can wrap their soap, tooth paste or cigarette in entertainment—and make the public beg for more. One such "find" well recompenses the networks for thousands of hours listening to tenth-rate Bing Crosby and remote imitations of Grace Moore.

## Beauty Has Its Day

The best in beauty, the Art Directors' Club of New York decided at the opening of their fifteenth annual exhibition of advertising art at the Altman store there the other day, is "dark blonde, with sun-touched skin and blue eyes. Weight 110 pounds, net; height 5 feet 7, without heels."

The title of "most beautiful girl in advertising art" was won by Miss Jane Powell, daughter of Mr. and Mrs. Doane Powell, both of whom, being artists, were able to do right by her, aesthetically speaking. Born in Omaha, she has been in New York



Katherine Barrett: "Most typical American girl"

the pile  
" with  
en not  
process  
out by  
on the  
toxicat-  
erson is  
eternal  
olds the  
f some  
singing  
cv and  
a cares  
touched  
t. We  
nd, by  
d sign  
e Bos-  
ith as  
er its  
same  
has a  
—pro-  
ll be  
nally  
atory  
cial  
Allen  
ieves  
lenn  
hing.  
roke  
series  
and  
will  
sive  
an-  
ver-  
their  
the  
net-  
bys

Mr. Manufacturer — every time  
you INHALE and EXHALE ..



\$1  
nearly 1 is spent  
**FOR COSMETICS AND DRUGS BY CHICAGO AMERICAN WOMEN**

Yes, Mr. Manufacturer, literally every time you take a breath there's nearly a dollar being spent for drugs and cosmetics by the women who read the Chicago American. This amounts to the tidy little sum of \$14,596,992 a year.

What are you doing to get your share of this business? Of one thing you can be certain: our readers are very particular about their appearance and their health. Only merchandise backed by a familiar and trustworthy name has appeal to them. What's more, they are Chicago's most active market for cosmetics and drugs. Because our women readers are young (and desirous of staying young). Whether they're thankfully twenty, thoughtfully thirty, or frankly forty, they want to feel well and look beautiful. They're eager and willing to try your products provided—and only provided—that they

know about you and your merchandise. The way to their purses—the quickest, most economical way—is through advertising in their evening newspaper, the Chicago American.

Proof of this receptiveness is the tremendous response to our women's pages. For example: Donna Grace, our beauty editor, received over 50,000 letters last year from our readers whose faces are your fortune.

In less time than it takes you to breathe—indeed, in less time than it takes one of our readers to apply a lipstick—**onedollartwohalvesfourquartersdimestwentynickels** is being spent for your type of merchandise by our readers.

Advertise in the American—with Chicago's largest evening circulation—and watch your merchandise move from your dealers' shelves to our readers' selves!



# CHICAGO AMERICAN

... a good newspaper

National Representatives: Hearst International Advertising Service, Rodney E. Boone, General Manager

APRIL 20, 1936

[ 607 ]

# SALES management

Vol. XXXVIII. No. 9

April 20, 1936

## CONTENTS

### Advertising

|  |     |
|--|-----|
| Kool-Aid Turns on Ad Heat as Thirsty Summer Days Approach                            | 642 |
| Rotogravure Advertising and Marionette Shows in Department Stores Spur Formfit Sales | 618 |
| Texas Centennial Ads, in Varied Media, Round-up Many Inquiries                       | 623 |
| By Ann Bradshaw  |     |

### Dealer Relations

|  |     |
|--|-----|
| Squibb Never Lets Dealers Forget Its Profit Plan | 625 |
|--|-----|

### General

|  |     |
|--|-----|
| Roosevelt Will O.K. More Appropriations Only if Congress O.K.'s More Taxes | 646 |
| Significant Trends   | 613 |

### General Management

|  |     |
|--|-----|
| The Arguments For and Against Company Purchases for Employees  | 628 |
| By Howard T. Lewis, Professor of Marketing, Harvard University, The Graduate School of Business Administration |     |

### Hiring and Training Salesmen

|   |     |
|---|-----|
| How We Recruit 500 Salesmen a Year by Mail  | 626 |
| By Fred S. Willis, Director of Sales, The P. H. Davis Tailoring Co., Cincinnati, Ohio |     |

### Market Research

|  |     |
|--|-----|
| How Newspapers Cover Leading City Markets  | 624 |
| The twenty-third of a series of unique market surveys conducted exclusively for SALES MANAGEMENT by the Market Research Corporation of America |     |
| 4-Year Analysis Shows Changes in Brand Preferences in Milwaukee  | 648 |

### Product Design

|  |     |
|--|-----|
| Designing to Sell  | 638 |
| Ingersoll Creates New "Kelton" Watch Line at \$4.95-\$5.95; Broadens Advertising Program | 636 |

### Sales Campaigns

|  |     |
|--|-----|
| Brown-Forman Takes a Tip from Food Products; Zoned Markets             | 640 |
| By Verner D. Smith, General Sales Manager, Brown-Forman Distillery Co. |     |
| Cape Cod Starts to Send Us to Sea in Sail Boats                        | 617 |
| Friendly Letters Break the Ice for This Insurance Salesman             | 632 |
| By H. D. Read  |     |
| Hammond Sells Pipeless Organs to the Tune of \$1,500,000 in 8 Months   | 622 |
| By Lester B. Colby   |     |

### Sales Policy

|   |     |
|---|-----|
| Price Policy Problems in the Fight Against Private Brands             | 616 |
| By Albert Haring, Associate Professor of Economics, Lehigh University |     |

### Departments and Services

|                                 |     |
|---------------------------------|-----|
| Advertising Campaigns           | 620 |
| Comment                         | 660 |
| Marketing Flashes               | 644 |
| Media and Agencies              | 650 |
| Radio and Magazine Expenditures | 655 |
| Sales Letters                   | 654 |
| The Human Side                  | 606 |
| The Scratch-Pad                 | 621 |
| Tips                            | 659 |

**EDITORIAL STAFF:** RAYMOND BILL, *Editor and Publisher*; PHILIP SALISBURY, *Executive Editor*; A. R. HAHN, *Managing Editor*; E. W. DAVIDSON, *News Editor*; M. E. SHUMAKER, *Desk Editor*; F. L. SULLIVAN, *Production Manager*.

**ASSOCIATE EDITORS:** JAMES R. DANIELS, LAWRENCE M. HUGHES, LESTER B. COLBY, D. G. BAIRD, MAXWELL DROKE, RAY B. PRISCOTT, L. R. BOULWARE, FRANK WAGGONER.

Published by Sales Management, Inc., RAYMOND BILL, President; PHILIP SALISBURY, C. E. LOVEJOY, JR., M. V. REED, R. E. SMALLWOOD, W. E. DUNSBY, Vice-Presidents; T. J. KELLY, Secretary; EDWARD LYMAN BILL, Treasurer. Publication office, 420 Lexington Avenue, New York. Telephone, Mohawk 4-1760. Chicago, 533 North Michigan Avenue. Telephone State 1266. Santa Barbara, California, 29 East de la Guerra. Atlanta, Georgia, 42 Peachtree Place, N. E. Subscription price, \$4.00 a year. Canada, \$4.25. Member Audit Bureau of Circulation, Associated Business Papers, Periodical Publishers Institute.

two years, and appears prominently at the exhibition as the "girl in the wheat field," a *Pictorial Review* cover.

Blondes won hands down this year in every classification.

Miss Mardee Hoff, who calls herself a "redhead," but who really has auburn hair and blue eyes, was voted the most popular model. The daughter of Guy Hoff, illustrator, she plans to follow in her father's footsteps. Meanwhile, she is posing for advertisements, and appears in the exhibition in a photograph by Edward Steichen, through N. W. Ayer & Son, for Cannon towels.



Mardee Hoff: "Most popular model"

More definitely blonde is Miss Katherine Barrett, "most typical American girl." She also is appearing currently almost without a Cannon towel, but the range of her recent activities includes Chesterfield and Camel cigarettes, Woodbury and Camay soap, *Cosopolitan* and *American Magazine* covers, Lily Dache and Dobbs hats.

In SM a year ago you may have seen Anita and Beryl Magee together. Beryl, the younger, won the prize then for being the "prettiest child" in advertising. This year it is Anita's turn. Anita, now 8, appears in the exhibition in a Saks Fifth Avenue elevator poster. Both the Misses Magee are blonde, too, and like the other winners are interested in art. Anita may decide to be a dancer instead of a painter, as now scheduled, but already she is designing children's dresses.

## Tortoise and Hare: Modern Version

Airplanes, the hares of modern travel, are utilizing a pair of tortoises to boost ticket sales.

John B. Walker, v.p. in charge of traffic of TWA's Kansas City office, looks with tender solicitude upon a pair of turtles that have joined his organization. They are the booby prizes in a sales contest now under way.

Five sections of the traffic department are bucking their own records of last year and trying to outstrip each other in selling seat miles during the three-month race. Prizes are awarded at the end of each month, and a larger final prize at the wind-up. Every man in the section making the best showing for the month will get a bonus.

But the traffic manager in the stick-in-the-mud city with the poorest rating will be presented with the smaller turtle—while rivals hoot and cat-call. His will be the task of supplying Mr. Turtle with vitamins, tucking him in carefully o' nights, and calming snappish moods for the next month. The regional manager making the lowest score has a similar chore with the larger unwelcome guest. Both amphibians have the air line's insignia on their shells.

Besides gaining points for reaching and exceeding quotas, the competing offices may score by keeping expenses within 12% of gross revenues. Extra points are allotted when expenses are even lower.

The city and region finishing at the bottom of the contest will be "honored" by custody of the turtles for the rest of their natural lives. And turtles are often centenarians. Is that a spur to salesmanship!

# Significant Trends

As seen by the Editors of SALES MANAGEMENT for the fortnight ending April 20, 1936.

## Flood Releases Buying Orders

**floods.** In Springfield, Ill., for example, the Sangamo Electric Co. is constructing two additions to its plant, and, because of the increased orders for electric meters occasioned by recent floods, the company has raised its operating schedule from 40 to 49 hours a week.

• • • In Grand Rapids furniture companies are being called upon to furnish replacements for property damaged by the water, and greatly increased orders from flood areas have been received by such companies as the Gunn Furniture Co., the Wagemaker Co., American Seating Co., Imperial Furniture Co., the Grand Rapids Store Equipment Co., etc.

• • • Dun & Bradstreet's inventory of the flood damage shows important reconstruction and refurnishing needs in 387 communities in 12 states. Preliminary reports indicate that of the mercantile firms affected, about 14% suffered an impaired purchasing power and 5% will be forced out of business.

• • • Proof that general increases in sales throughout the country are not coming as a result of price increases is shown by both government and private studies. The National Industrial Conference Board reports a further drop in March of the cost of living of wage earners. Food, the most important item in the average family budget, dropped 1.6% between February and March. Total living costs today, while lower than in the Fall and early Winter, are 2.1% higher than in March, 1935, 17.6% higher than in April, 1933, but 15.3% below March, 1929.

• • • An analysis of inquiries coming to this magazine indicates that many business men do not appreciate the possibilities under the Export Trade Act (Webb-Pomerene law) which grants exemption from the anti-trust laws to an association entered into and solely engaged in export trade, with the provision that there be no restraint of trade within the United States, or restraint of the export trade of any domestic competitor. Last week the California Prune Export Association—made up of leading producers on the Coast—filed papers under this act with the Federal Trade Commission. The Association was formed to meet special conditions in the export trade.

• • • Total construction records for March, despite the severe Winter and the floods, show a total value 40% higher than in February and 62% ahead of March, 1935, according to the F. W. Dodge Corporation. For the first quarter of the year gains were 83% and distributed as follows: Residential building, 75%; non-residential building, 118%; and public works and utilities, 60%.

• • • Zooming sales of residential building lots in the first three months of the year, both to speculative builders and individual home planners, is the best proof

that the predicted home building boom is actually here. According to a survey made by the Northwestern National Life Insurance Co. in 68 cities, 50 show definite increases in the sale of residential lots. Cities which showed unusually high activity were Boston, Brooklyn, Philadelphia, Washington, Atlanta, Miami, Birmingham, Savannah, Wilmington, Minneapolis, St. Paul, Grand Rapids, Toledo, Cincinnati, Dayton, Detroit, Madison, Oklahoma City, Tulsa, Dallas, Houston, Fort Worth, San Francisco, Spokane, Seattle and suburbs of Chicago and Los Angeles.

• • • The President's statement in his recent relief appropriation message that "at least more than 5,000,000 more people were at work in December, 1935, than in March, 1933," is confirmed by the current estimates of the National Industrial Conference Board, which show an increase of 5,413,000 in the number at work.

• • • Congressional approval of the Norris Rural Electrification measure is expected to churn up new business in rural areas, particularly in the Mid-west and South. While the RFC is "careful" in making loans, larger loans for generating and transmitting facilities are generally A-1 risks and a good portion of the \$50,000,000 allowed for the first year is expected to go for this purpose. Loans for wiring and appliance purchases will be slower but some program of cooperation by which appliance manufacturers would share the risk may be worked out to speed expenditures.

• • • A national survey made by *Fortune* shows the following attitude in answers to the question, Do you think the officials of large corporations are paid:

|                   |       |
|-------------------|-------|
| Too much .....    | 54.5% |
| About right ..... | 16.8  |
| Too little .....  | 5.8   |
| Don't know .....  | 22.9  |



The black area of good business prospects in the monthly Brookmire income map is lengthening out. For the country as a whole this economic service estimates for the next six months an 18% increase in income, with the following states rating higher than the nation: North Dakota 33, South Dakota 24, Michigan 23, Texas 23, Connecticut 22, Illinois 22, Iowa 22, Arizona 22, Florida 21, Indiana 21, Kentucky 21, West Virginia 20, Ohio 20, Vermont 19, Wisconsin 19, Arkansas 19, Nevada 19, Oklahoma 19.

## Tomorrow's Dollars

The National Retail Dry Goods Association indicates that retail instalment sales volume for 1936 will reach five billion dollars. In 1929, when retail sales were approximately \$5 billion dollars, 13% were made through instalment selling. Apparently the percentage will be higher this year.

• • • Chambers of Commerce are again beginning to talk in big figures. The San Antonio Chamber of Commerce placed the value of publicity received through mention of the city on Major Bowes' amateur program at one million dollars.

• • • Anyone who thinks that the five boroughs of New York City are pretty much alike will get a rude shock in reading this analysis of where New York City residents live, made by the Committee on City Planning:

| Borough   | One-family | Two-family | Multi-family |
|-----------|------------|------------|--------------|
| Manhattan | 1.7%       | ...        | 93.7%        |
| Bronx     | 14.8       | 14.8%      | 69.4         |
| Brooklyn  | 27.8       | 20.5       | 51.4         |
| Queens    | 78.6       | 12.1       | 7.7          |
| Richmond  | 94.2       | 3.5        | 2.2          |

• • • Paul Hollister, advertising manager of Macy's, told the General Electric Merchandising Clinic last month that in the two years he had been on that job no manufacturer or his salesmen had ever gotten over to him through direct mail, telephone or personal call the idea that it would be a good idea for Macy's to tie in through their newspaper advertising or windows with a forthcoming consumer campaign being put on by the manufacturer. This means either that manufacturers have been singularly asleep or that Mr. Hollister is well insulated from interruptions.

## Watch Texas This Year

for the most recent months: Department store sales up 16.4%; wholesale sales of farm implements, hardware and drugs, up 59.4%, 24% and 23.4% respectively; building permits in February up 413.5% over last year in valuation.

• • • March bank debits for the U. S. A., New York City excluded, increased 14% over last year. The gain in New York City, helped along by rising security markets, was 25%. The country-wide gains for the first two weeks of April were 21.5%.

• • • Department store sales in March increased from February by considerably more than the usual seasonal amount and the Federal Reserve Board index, which makes allowance for seasonal changes, advanced from 80% of the 1923-1925 average to 88%. The San Francisco district had the largest increase for the month, 13%, followed by Philadelphia, 12%; and Boston, 10%. For the

first quarter the Dallas district showed the largest gain.

• • • Farm income for February was greater than a year ago although heavy benefit payments by the government were made last year and none this year. The Soil Conservation Act, superseding the AAA, calls for resumption of these payments. Thus government checks will again augment income received from the sale of products and maintain rural buying power. Daily average sales of general merchandise in small towns and rural areas for March were 9.5% higher in dollar volume than for March, 1935, and were 34% above those for the same month of 1934. Using 1929-31 as 100, March sales in rural areas stood at 106.5.

## New Car Sales Best Since 1929

The estimate by R. L. Polk & Co. of new passenger car sales in March has been raised to 300,000 units from an earlier figure of 290,000 on the basis of complete registration figures from 13 states. The 300,000 figure has been exceeded only once in history—in March, 1929, when 377,802 passenger cars were registered. Truck and commercial car sales in March are estimated at 52,000 units, far exceeding any March in history and topped by only four other months in the industry.

• • • Sales of General Motors cars to consumers in the United States totaled 181,782 for March compared with 126,691 in March a year ago. Sales in February were 96,134. Sales for the first three months of 1936 totaled 379,950 compared with 258,093 for the same three months of 1935. And a year ago General Motors and other automobile companies thought they were doing well!

• • • The National Confectioners Association reported an increase of 15% to 20% in sales of Easter candy last year. Sales of other Easter items reached the highest level since early in the Depression—in some cases since 1929. These gains were made in the face of extremely poor weather conditions.

• • • The electric refrigerator industry seems set for another all-time-high year. Sales of household models for the first two months of 1936 were 298,820 units as compared with 218,951 last year. The Middle Atlantic and Pacific Coast districts each show a 60% gain, while the New England and Mountain districts show a 50% gain.

• • • According to an analysis appearing in *Baron's*, sweeping changes are going on in the cigarette field. The so-called "Big Four" are now sharing the business as follows—with Philip Morris now running neck and neck with Lorillard:

|                  | March, 1936 | October, 1935 |
|------------------|-------------|---------------|
| R. J. Reynolds   | 30%         | 26.2%         |
| American Tobacco | 24          | 22.6          |
| Liggett & Myers  | 23.5        | 22.8          |
| Lorillard        | 6           | 3.3           |

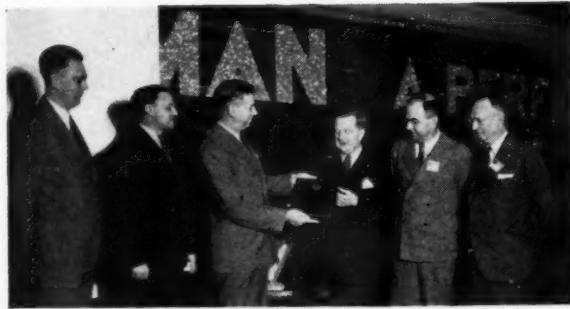
• • • A breakdown of the Ford Motor Co. payrolls shows that 81% of employes worked more than 40 weeks and 59% the full year. Average wage of all shop employes was \$1,372. Eleven per cent of all Ford employes are over 50 years, 51% over 40, and 58% over 35.



Oldest and Newest: (Left) The Hills Brothers Co. is giving full prominence to the fact that the recipe for its latest product, Dromedary Devil's Food Mix, is based on one by the mother of George Washington. It is the oldest chocolate recipe in America. The Mix requires only water before baking.



Joins: (Above) Parker H. Ericksen is appointed s.m. of the radio division of Fairbanks, Morse & Co. He was for several years sales promotion and ad mgr. of Zenith Radio Corp.



Reward: R. E. Meagher, Poughkeepsie, N. Y., Iron Fireman dealer, receives a plaque for supplying the best story of a customer's savings with the IF coal burner. The annual award is sponsored by Gerber & Crossley, IF ad agency.



Veteran: P. M. Petersen, after 25 years in virtually every department with S. C. Johnson & Son, is appointed g.s.m. He succeeds C. A. Armstrong, also an old-timer—23 years—who becomes v.p. Mr. Petersen will have charge of Johnson's wax, Glo-Coat, etc.

Traveling Ad: (Below) Phillips Packing Co. puts one of its soup cans in the center of a Dodge truck to cause a lot of neck-craning. A sound amplifier system is housed in the can's top from which issues music and advertising messages. While serving as a moving reminder of the company's products, the car is also a delivery vehicle.



Top Hat Transmitter: (Above) Inside NBC Announcer George Hicks' topper is a micro-wave transmitter with a quarter-mile working range. A hollow aluminum rod above is the antenna. His wide leather belt holds the power plant. His voice is, of course, relayed by Radio City's powerful waves. This costume was used for a description of the Fifth Avenue Easter parade. The portable broadcasting station will be frequently employed at crowd scenes.



Pals: (Above) H. W. Alexander, at right, general s.m. of the American Type Founders Sales Corp., shakes hands with a man with whom anyone would prefer to be friendly: Jack Dempsey.

# Price Policy Problems in the Fight Against Private Brands

BY

ALBERT HARING  
*Associate Professor of Economics,  
Lehigh University*

Even if we get "fair trade" legislation, says this writer, we cannot expect the competition between national and private brands to lessen in its intensity. Only the "rules of the game" will be changed.

THE present legislative fight over various "fair trade" practices is aimed at changing the rules of competition between national brands and private brands. Congressional discussion of the last three months has clearly shown that many conflicting interests are involved. This is because price cutting and brand competition affect various products in entirely different ways.

The American buyer is a bargain hunter, searching for every bit of value which his dollar can buy. When quality merchandise is purchased, the "extras" which lift an item above its competitors must be demonstrable and real in order to justify the premium in price. Given any decent guarantee of honest workmanship, the American consumer will, in the case of mass merchandise, buy the goods which cost the least.

The manufacturer of a trade-marked item thus gains sales with every price slash, provided that the movement of his product into consumption is not interfered with. Such interference takes many forms, each of which creates its own peculiar problems. Yet every obstruction eventually results in the retail substitution of some full margin article for the slashed national brand. The problem of the manufacturer is thus substitution rather than price cutting.

During the last decade, this struggle has somewhat favored the brands of distributors, or private brands, as compared with the brands of manufacturers, or national brands. Several aspects of the distributive problem are worthy of brief analysis.

The department store of the medium-sized city faces severe competition from, for example, a Sears, Roebuck store. Sears handles only its private brand of radios, refrigerators, shirts, shoes or sporting goods, and the Sears offerings are attractive, a good quality at a low price. To keep its patronage, the department store must offer competitive prices. It does this by carrying a private brand, frequently of a quality inferior to the Sears product and occasionally of lower price. The problem of the department store is to offer its customers the low-priced private brand and actually to sell these potential buyers the higher-priced national brand.

This limited phase of department store competition is clearly shown by a store executive of Central Pennsylvania: "The Sears Coldspot refrigerator stole the 1935 market in our area. We could not meet the price on the product. In at least a dozen lines, we stock inferior merchandise to meet chain prices. Then we must sell up to the more expensive national brands because it is a bad policy to let the customer buy poor merchandise."

## Priced Right; Displayed Wrong

A second phase of brand competition occurs through dealer display and sales promotion. A large New York 5-and-10-cent store had a display of flashlight batteries some months ago. The national brand was featured by an illuminated reproduction of giant size hung over the counter. An actual enumeration of the batteries, however, proved that over 60% of the counter display was given over to private brand batteries selling at the same price.

In both of these instances, it should be noted, the national brand would have fared better in its competition with the private brand if national brand prices had been cut. These examples are but two of the multitude which exist where price cutting on national brands and brand substitution are not closely intermingled.

A third case, one typical of the drug and grocery field, is where the national brand is slashed to profitless levels and a private brand is substituted in order to reap any gross margin at all. The independent merchants have been less successful in this substitution than the chain operators and are demanding retail price control legislation. Here, the manufacturer gains through the fact that his product is offered to the public at attractive prices, while, at the same time, the flow of his product into consumption is retarded by active dealer antagonism. He gains by such price cutting when substitution fails, as in the case of leading cigarettes. And he loses when substitution is largely effective.

## Why Private Brands Are Low

Private brands, however, need not be priced under national brands. Macy's sells one of its own brands of shirts at figures above those of the national brands which are stocked. These Macy shirts are sold upon the basis of being the best product which the shirtmakers' art can devise and of giving the greatest possible value for their cost. In this instance, Macy's sells both up and down to its own brands, pricing the national brands between its two own brands. Similarly, throughout the field of distribution, private brands of excellent quality are sold at prices above those of the average national brand. But, quality for quality, the private brands are priced below the national brands. The reasons for these lower prices are significant:

1. Private brands have been carried by low-cost retailers. The chains, for example, are mostly cash-and-carry propositions. Under chain management, the personnel must use modern technique or the persons responsible lose their jobs. The independent operator, although he may know modern business methods, can always postpone action until tomorrow.

2. Buying prices of private brands, quality for quality, are less. They should be. It has been proved that a sheet with Cannon on it, or a watch with Hamilton, or a pen with Parker, or electrical equipment with GE, is worth more to retailers and consumers than the identical merchandise without a brand name or with an unknown

brand name. Private brand sales have usually been in large units with little selling expense, minimum credit risk, and enforceable contracts.

Have private brand prices been set too low by manufacturers in the bitter competition to get these big contracts? There is some reason to believe that a sufficient share of overhead has not been allocated to such orders. In any event, it is known that voluntary chains have, in many cases, been profitable solely because the extra discounts obtained through pooling orders for both national and private brands have exceeded the cost of organization and operation. Either the old system of independent dealer operation was grossly inefficient, or manufacturers are giving too great discounts.

### Include Promotion Costs?

3. Manufacturers have sometimes included liberal sales promotion costs in the original price of the product. After the introductory expenses were over, this surplus has been taken by the manufacturer as extra profits. In the case of large orders where competition has been keen, such excess has had to be cut away, leaving the small buyer at a distinct disadvantage. This is particularly true in the case of national brands, where the allowances to large buyers have been excessive. In the words of one forceful retailer, "The national manufacturer sells to the chains at about the right price. He sells to the independent at too high a price. The independent has to meet the chain's retail price; so the consumer gets good value. But the manufacturer is making a big profit at the expense of the independent. Under price contracts, I expect to see the prices of national brands come down to where the retailer can make a fair profit and the customer will pay what he now does."

4. Brand acceptance, under certain circumstances, may be more cheaply created by the distributor than the manufacturer. The A. & P., or W. T. Grant, or Liggett, or Macy, or Montgomery Ward, may be able to create acceptance for its own brand at a cost of 2 cents per dollar of sales while the national manufacturer must spend 3 cents. But it is impossible to untangle the facts. If private brands are given too little overhead by their maker, the syndicate may be able to spend 4 cents and still undersell the national brand of equal quality. Or it may reduce the price 2 cents and spend 2 cents in advertising, thus having a greater price advantage.

(Continued on page 656)

# Cape Cod Starts to Send Us to Sea in Sail Boats

If the ski people, with the help of department and sporting goods stores and railroads, could send a goodly part of the public off to the hills in Winter, why could not the boat people, under similar educational auspices, start a Summertime trek seaward?

Why, reasoned young Harvey L. Williams, when last December he took a long-term option on the veteran Cape Cod Ship Building Corporation of Wareham, Massachusetts, could not standardized products, mass production, specialty selling and resultant lower prices, make sail boats as popular a sport?

Mr. Williams and his associates already have done a number of things in reply to these questions.

If you were to drop into certain department stores in Chicago, Philadelphia, Boston, Providence and New York, you would not only find Cape Cod sail boats for sale, but instructors on hand to tell you what to do. At Saks Fifth Avenue, for example, you would even stand on deck, in a wind tunnel, and a young monsoon or Sou'wester or something would give you the feel of the craft.

About 25 department stores — 11 in New York — now carry these boats.

And because the Cape Cod people are after repeat business, and want to get their prospects early, they introduced at the National Motor Boat Show in New York last January a Beach Boat, with mast, sail and paddle, at \$15.75. There is also the Midget, a sail boat for older children, retailing at \$48.50; the Tern, for adults, \$98.50; and a conventional sail boat line, starting at about \$300 for 15-footers.

For more than a generation Cape Cod Ship Building Corporation has been concentrating on small sail boats. First there were dories and similar craft built on whale boat lines.

Later Cape Cod began to develop one-design sail boats from 14 to 25 feet in length, capitalizing on growing interest in races at Summer resorts in New England, Long Island Sound and to some extent on the Great Lakes. Then, in the twenties, came an 18-foot Baby Knockabout, of which 800 to 900 were sold to yacht clubs, Summer colonies and boys' and girls' camps and other "fleet operators" and individuals.

Despite lack of "sales initiative and organization," SM was told, Cape Cod developed an average production of almost 1,000 boats annually for the last 14 years. The designs were being standardized, but they were still being built primarily by hand.

Mr. Williams entered the corporation after varied experience as a business "doctor." After graduation from Massachusetts Institute of Technology, he worked for Stone & Webster in investigation and reorganization work in the utility field. Then he went into aviation, chain stores, manufacturing companies — his work including investigation, financing and merchandising.

He helped to build new industries and to modernize old ones, and found the process profitable.

He thought that sail boats could be "doctored" profitably. Analyzing the Cape Cod corporation, he found an enterprise involving a wholesale and retail merchandising division, handling marine hardware, accessories and equipment, sold primarily to dealers and small yards on Cape Cod, Martha's Vineyard and Nantucket; a yard and storage division for repair, fueling, outfitting and storage of boats up to 50 feet in length, and the largest part, the production division, making small boats.

The manufacturing division was concerned with skiffs, dories and yacht tenders, power boats and sail boats. Because the first three



SAKS FIFTH AVENUE  
HEADQUARTERS FOR  
CAPE COD SAILBOATS

Six to ten feet over-all, practically unsinkable. BEACH BOAT, complete with paddle, demountable mast and sail, 15.75. MIDGET, smallest real sail boat Knockabout rigged, 48.50. THE TERN, large enough for father and son, small enough to be stored in your cellar, 98.50.

JUNIOR SAILING CLASSES

Every Saturday at 9:30

Instructions and lectures by Mr. Gordon Raymond, well known skipper of small boats. Course of eight lessons, 5.00. Telephone Plaza 3-4000. Extension 165.

FIFTH AVENUE AT FIFTH FLOOR

How one department store  
is promoting small craft to  
small skippers

# Rotogravure Advertising and Marionette Shows in Department Stores Spur Formfit Sales

FORMFIT, which probably has done more to improve the landscape than the CCC, reports that there has been no business neurosis within its walls. Formfit "foundation garments" specialize in smoothing out the peaks and valleys of those ladies who, in their construction, have not followed the blueprints.

Walter H. Lowy, advertising manager for the Formfit Company, Chicago, reports steady yearly gains despite depression, tornado, flood, politics, fire or Ethiopia. Variety in advertising methods, sharp twists in appeal, moderate space consistently and persistently used, he thinks have been effective.



Backbone of Formfit's own advertising: Rotogravure in 41 newspapers.

Formfit's present activities consist of: Four marionette "style reviews" playing in the windows of department stores.

Rotogravure advertising carried in 41 newspapers.

Mat service for dealers, some of it comic, for newspaper use.

Two-column advertisements in *The American Weekly*, just starting.

The marionette style reviews, four units on the road, went out in January.

Cartoon ads, for dealer use, suggest that Formfit can make tragic bulges a laughing matter.



Impressively mounted in window-high stage set, Formfit's traveling marionette show is pulling many a passer-by into the corset departments of big stores from coast to coast.

One is touring the East, two are in the Mississippi Valley country, and the fourth is touring the segment west of Denver to the Coast.

The idea of using marionettes to sell brassieres, corsets and other shapemakers was borrowed from Tony Sarg's A. & P. show at the World's Fair. It was observed that the public delighted in watching the antics of the little dancing figures.

The Formfit marionettes were built by Duncan-Mabley, Inc., of Cleveland. One "puppeteer" travels with each show, sets it up, and pulls the strings. The acting personnel of each show consists of seven figures, six "ladies" and a "page boy."

As the show gets under way a tiny articulated figure minces out in street clothes, followed by an identical figure clad only in foundation garments. Next comes one in afternoon garb, followed by one in the foundation garments which should be worn with the outfit. Ditto, evening clothes.

The tiny page, at each presentation, bowingly presents a placard which explains what it is all about. The practice is to set the marionette stage in the window of a down-town department store. Full weeks are usually played, though in some instances the

week is split between two stores. The cost is \$150 a week, of which the store pays half.

Each show lasts seven and a half minutes, and a show is put on every 15 minutes throughout each working day. Crowds usually gather quickly. The company considers it one of the

best attention-getters it has ever had.

Rotogravure advertisements in recent weeks have been built around the "return of curves." Very beautiful models are photographed in foundation garments. One, for example, is built around "the grandest little deceivers imaginable."

This attracts feminine eyes to a brassiere which is a "help" to the girl with puny, or flat, busts. The suggestion is that the device lifts the lady out of the wallflower rating.

In inverse ratio, according to one of the comics for newspaper advertising, the overstuffed lady who is careless with her calory intake may streamline herself with girdles of vulcated Latex. The one whose muscles sag may uplift them with the model called "Thrill."

*The American Weekly* advertisement for April 19 treats of two cases. No. 1 is the "pendulous" and No. 2 the "flat chested." The suggestion is that "normal" is somewhere in between, and is attainable if the dainty harness is employed.

Another stunt employed by Formfit is to monogram the apparel. Monogramming machines tour the country, stopping in the larger stores, and have been recognized as sales boosters.



"Hey, Joe, look at Number 44 on the blue sheet and see if it says 'conservatory,' will yuh?"

APRIL 20, 1936

[ 619 ]

# Advertising Campaigns

[Old and New Products as Promoted in Newspapers, Magazines, Store Displays and Clip Sheets]

## Koret's Carrot

Makers of women's handbags, with few exceptions, have not been able to impress their trade names on the female memory. Koret, Inc., New York, is one of the exceptions. It is also one of the few makers to have national distribution.

Through Fletcher & Ellis, Koret announces in the April issue of *Harper's Bazaar* a new reticule color for Spring: Carrot. As an illustration a mannequin is shown with carrot-colored accessories. Behind her, thanks to trick photography, is a bunch of giant carrots, taller than she is.

F & E know that the ad got attention, for sundry ladies have called up to find where they could see such monster carrots and how could they grow some themselves. One horsey madame remarked, "Imagine how excited my hunter would be if I could give him one of these super-carrots as a reward for taking the jumps nicely."

Koret, Inc., of course, is not in the seed business, and so is merely amused by these misapprehensions. But the jumbo carrots helped sales of bags. Therefore everybody is happy except a few gardeners whose inflated dreams are punctured.



Readers wanted the super-carrot

[ 620 ]

## Huskies Try Texas

General Foods is testing its new whole wheat cereal, Huskies, in every daily in Texas. If Texans like the campaigns and the breakfast food, agents Benton & Bowles will, undoubtedly, extend it to other states.

Two reasons determined choice of the Lone Star State as a proving ground: With the Centennial Exposition in full swing, millions of visitors will be added to Texas' population of breakfasters. Second, Texas is currently "sports crazy." And the theme of Huskies copy is "famous athletes welcome Huskies."

Besides Golfer Helen Hicks, Swimmer Helene Madison and other nationally known sports headliners, endorsements have been secured from Texan muscle men. The local heroes will proclaim that their prowess is owed to Huskies, or words to that effect.

## Aviation Zooks

The largest ad in the history of aviation introduced American Airlines' new fleet of 24-passenger Douglas planes: Seven pages in the *S.E.P.* of April 11. It was the first of a campaign, through P. P. Willis agency, to educate the public on the advantages of air travel.

American led off the splurge with a double-page bleed. Then followed a page each by Bendix Aviation, whose "equipment guards every aviation flight"; Sinclair Petroleum, "American Airlines uses Sinclair lubricants exclusively"; Wright Aeronautical, whose Cyclone motors "provide dependable power"; Shell gasoline, "in the air and on the road Shell supplies a 'balanced gasoline'"; and Sperry Gyroscope Co.'s "Gyropilot ... automatically controlled flight."

In justification of the big splash, American's president, C. R. Smith, states that "Last year nearly 750,000 people used the air lines. It is the duty of the industry to educate . . . to be of equal service to many millions of others who need the advantages of air transportation."

## Four for One

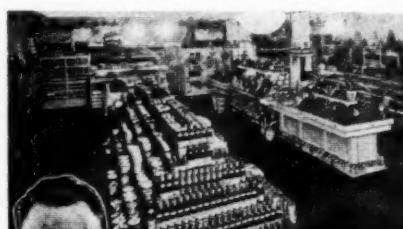
Guardian Life Insurance Co. hammers away on the theme "\$1 a week gives you at least \$4 every week, at 65." Besides ads in *Collier's*, the

New York Times magazine and *S.E.P.*, part of a Spring drive, the company is concentrating on certain professions. Beneath a picture of a spandy-new store *Progressive Grocer* will carry a Guardian ad, in which a smiling grocer says, "I've modernized my store and my future. When I'm ready to retire I'll get \$4 a week," etc. When this appears in the June issue Guardian representatives will devote most of their calls to food retailers, and they'll carry a copy of the magazine.

The *Journal of the American Medical Association* will carry a four-for-one message addressed to physicians.

Some 1,000 to 1,200 Guardian representatives are to get reprints of these ads and letters to send to prospects timed with publication dates. They will make follow-up calls two days after the letters are mailed.

Hanff-Metzger is the agency in charge.



"I've modernized  
my store  
and my future!"

"When I'm ready to retire, I'll get \$4 a week\* for every \$1 a week I'm setting aside now . . . thanks to my Guardian Retirement Plan. Right now, I'm piling up dollars for future delivery to ME—and they're giving my children and their mother insurance protection, too."

You will want to retire some day. Find out how! Mail the coupon for details.

**THE GUARDIAN LIFE**  
INSURANCE COMPANY OF AMERICA  
NEW YORK CITY

A MUTUAL COMPANY • ESTABLISHED 1860

**GUARDIAN OF AMERICAN FAMILIES FOR 76 YEARS**  
The Guardian Life Insurance Co. of America, Dept. PG-1, 50 Union Square, N. Y. C.  
Show me how I can guarantee "retirement dollars," beginning at age . . . 55, . . . 60, . . . 65.  
Date of birth: Month . . . Day . . . Year . . .  
Name . . .  
Street . . .  
City . . .  
State . . .  
Zip . . .

Language a grocer understands

## Glenmore's Gloat

"While the distilling industry as a whole has been fighting tooth and claw for sales, Glenmore, largest distillery in Kentucky, has been so far oversold for five solid months that it was found necessary to explain to the public and trade just why they couldn't get all they wanted of Glenmore brands," jovially announces that company's agents, Reincke-Ellis-Younggreen & Finn.

Accordingly, Glenmore is running a newspaper "Thank You for Waiting" ad stating, "We have increased our bottling facilities . . . distilling capacity . . . a 24-hour working sched-

SALES MANAGEMENT

d S.E.P.,  
company  
fessions.  
ndy-new  
carry a  
g grocer  
ore and  
to retire  
then this  
guardian  
most of  
l they'll

in Med.  
our-for  
cicians.  
an rep-  
f these  
spects  
They  
o days  
cy in

ule has become our regular daily  
diet. . . .

"We refuse to purchase whisky on  
the outside and bottle it under our  
own labels. . . . Every bottle of every  
Glenmore brand is genuine Glenmore-  
distilled and aged.

"We ask you to be patient a little  
longer. We again beg your indul-  
gence for the delay, which after all  
you created by your generous patron-  
age."

Glenmore "sacrificed thousands of  
dollars in profits to play straight with  
the public, and invested more thou-  
sands to lay the cards on the table in  
this unusual message," piously point  
out R-E-Y & F. Such virtue was duly  
rewarded.

### Co-Op Clip Sheet

BBDO executives are clapping their  
Publicity Director Fred Smith on the  
back. It was his idea to put out the  
*BBDO News Letter*. Results have been  
so gratifying that both the agency and  
its clients are mightily chirked up.

"In disseminating publicity for our  
clients," says Mr. Smith, "we have to  
consider:

"That newspapers are closing their  
columns to publicity because they feel  
(very erroneously, we believe) that  
publicity is robbing them of advertising  
revenue. Therefore they are none  
too willing even to look at publicity  
material. To solve this we were  
obliged to develop a method of pres-  
entation so striking and attractive that  
editors would at least glance over the  
material before directing it toward the  
waste basket.

"We have several accounts for  
whom we issue periodic press releases.  
By combining seven or more releases  
we can send them for less postage  
than for one, and the participants can  
share the bill. We thus send the  
*BBDO News Letter* to 5,000 news-  
papers at a small cost to each client.

"In addition to saving postage, this  
combination cuts the cost of printing  
or mimeographing and folding. Then,  
by ordering all the mats at one time  
we pay much less than what the bill  
would be if they were ordered indi-  
vidually.

"We pick out a certain number of  
newspapers from our lists and send  
them mats with the *News Letter*. All  
recipients of the clip sheet get a post-  
paid card on which they may order  
any mats they wish.

"Most newspapers are either dis-  
tinctly or indistinctly divided into de-  
partments. Consequently we had to  
divide and devise our releases to fit  
these sections. Our *News Letter* is  
(Continued on page 658)

APRIL 20, 1936

# The Scratch-Pad

This is an anniversary, of a sort. *The Scratch-Pad* is one year old today. And here-  
with greetings to all the cash customers. You have been helpful . . . and tolerant.

\* \* \*

A little house organ of the Campbell Soup Co. (*The Optimist*) says Mussolini short-  
circuited the European lemon crop in order to prevent the Italian troops from getting scurvy.  
"It would seem that our American citrus growers missed one of the biggest natural pub-  
licity opportunities that they have had, in not capitalizing this story," says the editor. A  
scurvy shame, says me.

\* \* \*

The chap who always buys the smallest bottle of, let us say, ginger ale, isn't necessarily  
close-fisted. He may have a "split" personality.

\* \* \*

I am a bit weary of Winchell's and *Time's* combining  
forms such as "cinemactress," "operaddict," and "PW Administrator." Hoping you are the same.

\* \* \*

Carloadings are important. Sales of cardboard cartons are  
significant. A bullish market indicates renewed confidence.  
But I, personally, will believe the Depression is over when I  
see people flocking into the luxury-type jewelry stores, like  
Marcus in New York, Caldwell in Philadelphia. The average  
high-class jewelry store has resembled nothing so much as a  
morgue for a long time now.

\* \* \*

Curiously enough, after writing the paragraph about those  
queer combining forms found in *Time* and W. W.'s column,  
I read a piece about them in *The New Yorker*. It's a small  
world.

\* \* \*

Pete Cumings says that for the Midvanis, it's a short life  
and a marry one.

\* \* \*

The lady in the Hanson scale ad will never know her *true* weight until she drops  
that turkish towel.

\* \* \*

After frowning upon an overdose of combining forms, I hardly have the nerve to  
suggest "pontiation" for a certain low-priced car.

\* \* \*

Gulf gas seems to approve of the Esso idea of chanting the commercial.

\* \* \*

Now that the column's quest for a silent switch has been rewarded, I'd like to see  
a really non-skid bathtub. And J. C. Coffey, of Jam Handy Pictures, Detroit, feels a need  
for a "two-faced alarm clock for the bedside table of twin-bed addicts." Maybe a self-  
respecting alarm clock would hate to be considered two-faced.

\* \* \*

Suggested title for Emil Ludwig's next biography: "Sound and Fuehrer."

\* \* \*

Whenever I read Philco's lead copy, I feel a strange nostalgic stir. It reminds me  
of happier, more prosperous days when I was selling Orthophonic Victrolas in the face  
of that comparatively new toy, radio.

\* \* \*

Remington-Rand has been distributing Fraser Bond's little book, "You Can Write."  
Great Caesar's ghost-writer! Do we need more writers?

\* \* \*

Something tells me prize contests are more "con" than "test."

\* \* \*

No, Emily; Lane Bryant wouldn't like: "It's smart to be hefty."

\* \* \*

Maybe Jimmy Durante's parents didn't believe in nasal limitation.

\* \* \*

Kensil Bell says that, after hearing 237 radio renditions, that song should be called  
"Moan Over Miami."

\* \* \*

Speaking of radio, there ought to be a station WCTU. With a theme-song, See  
America Thirst.

\* \* \*

Pinch-hitting is praiseworthy but hit-pinching shows a lack of originality to say the  
least.

\* \* \*

I have been waiting to see a flood picture with the caption: "Three men on a house."

\* \* \*

Reputation is a perishable product. It is also a maintenance problem. Reputation is  
not something to salt away for future use. It is a live and growing plant, requiring day-  
to-day nourishment and care. Advertising is reputation's best maintenance service, predi-  
cated, of course, upon products and promises that are lived up to, in spirit and letter.

\* \* \*

In these rabble-rousing times, a tide of bolshevism has been loosed in the land. The  
Haves hesitate to spend real money for fear of what the Have Nots will say, thereby  
retarding recovery. Your best friends are not above  
displaying a little envy and rancor at times.

\* \* \*

In short, NVU is a bad alphabetical agency.

*T. Harry Thompson*

AMERICA RE-CREATES  
*The Organ*

**HAMMOND FACTS**  
Since the first Hammond Organ was made in 1928, 130,000 organs have been produced. Many hospitals use it. Numerous schools use it. Many homes use it.

The Hammond Organ is reproduced in every home. The world's largest organ is in the world's largest church, with estimated stops for individual players.

This unique instrument is made possible. The special two-motor, two-piano action is unique. With the pedal, it plays the first three octaves of the first octave.

The Hammond Organ is now used in every kind of instrument, from the simple piano to the complex organ.

Hammond's unique two-motor, two-piano action is the result of years of research and development.

Hammond's unique two-motor, two-piano action is the result of years of research and development.

**TO SEE AND HEAR**  
The Hammond Organ, over the entire range of the instrument, on any of the stations of the National Broadcast Network, or in the studios of the Hammond Clock Company, Chicago, Illinois.

**HAMMOND STUDIOS**  
In New York: 125 West 45th Street, Room 117  
In Chicago: 125 North Dearborn Street, Room 600  
In Cleveland: 125 West 7th Street, Room 200  
In Philadelphia: 125 West 18th Street, Room 200

**HAMMOND ORGAN**

BY  
LESTER B. COLBY

## Hammond Sells Pipeless Organs to the Tune of \$1,500,000 in 8 Months

This first advertisement in a test campaign in *Time* claims for Hammond Clock Co.'s organ that it "creates sound electrically, contains no blowers or pipes, never gets out of tune, and is inexpensive to maintain." Other advantages: "Ample volume for the largest church . . . yet equally at home in an apartment living-room." A duplicate ad in the trade paper *The Diapason* incorporates a list of "Some Hammond Organ Purchasers During the Last Month."

player can produce complex and ear-satisfying musical tones with all tonal qualities of the majestic pipe organ.

Diapason tones, which Mr. Webster says have fullness and richness, and flute tones, which we all are fond of, and the soft song of strings, reeds and woodwinds, can all be had at the tickle of the digit. The power cabinet contains a power amplifier and speakers.

The home job is set down in your parlor for 1,250 bucks and the cathedral job, for churches and auditoriums, with certain increased volume and added gadgets, ranges to a top of \$2,000. Two men can pick the job off a truck and have it playing inside in three minutes. It's just plug in and connect.

In the first eight months of selling, 350 churches have acquired them and a long list of funeral homes, mortuaries, schools, colleges, hotels, restaurants, ballrooms, theatres and hospitals. The residence field, however, is looked upon as the big market and it is absorbing them nicely, thank you, to the extent that the factory is a bit behind on filling orders.

Rudy Vallee bought two, one for his Maine lodge and the other for his band work. Other conductors who have them include Ted Fiorito, Orville Knapp, Hal Kemp and Orville Foster. Murray W. Patterson, business manager of the Detroit Symphony Orchestra, has one in his home.

Composers who have acquired them include George Gershwin, Otto Harbach, Sigmund Romberg, Max Steiner and Sigmund Kringold. Victor Schertzinger imported his into Hollywood. Morton Downey's Trocadero Club, in New York, has one, and out of a list of hotels we pick the names of the Stevens and Bismarck in Chicago.

Out of a long list of buyers for residential use we spot such names as Charles F. Kettering, E. L. Cord, Carl Breer, of Chrysler; Howard Blood, top-man for Norge; P. W. Litchfield, the Akron rubber man, and Albert Payson Terhune, the dog writer.

**R**UMORS have been about, especially in the music places, that the parlor organ, laid by its heels some forty years ago, is coming back. The reed organ, oftentimes called the melodeon, was once considered as necessary to the complete home as is the mechanical refrigerator today.

The parlor organ died when the piano was made cheap enough to compete with it. A few survive but mostly they are museum pieces.

This new parlor organ about which rumor talked must be, we decided, the same "pipeless organ" announced a year ago in the Spring and pictured in *SALES MANAGEMENT* for April 20, 1935—an instrument made by the Hammond Clock Company.

Charles E. Penny, sales manager for the company, answered our inquiry via 'phone:

"Why, no story—much. We've been making them for eight months now and have only sold about \$1,500,000 worth. Better wait until the story develops."

So the inquisitive reporter hopped right out to the Hammond offices and cornered Mr. Penny. And the story took shape. This is how it happened:

Laurens Hammond, president of the company and something of a scientist and engineer, who has had no musical training and plays nothing but perhaps a little golf or maybe pennyante, got the idea that he could make an electric organ—which some of his friends intimated was a bit screwy.

Now back in the year 1928 Mr.

Hammond had been present at the cutting of the umbilical cord of the infant electric clock industry and that year 130,000 electric clocks were sold. Two years later 1,200,000 were sold at a retail value of about \$15,000,000. The Hammond Clock Company was in it up to its ears. Hammond manufactured or motored more than half of the output. It was a new business and a gay one.

Engineer-Scientist Hammond allowed that to manufacture an electric organ was only a matter of mind over matter. He took some 91 clock rotors and geared them all together, all driven by one synchronous motor, fixing things nicely so that each little generator generated a different frequency, one frequency for each note in the musical scale.

Your reporter understandeth not just how and why sweet music comes out but it did and that's that. There's a neat little console, in fine black walnut, which weighs only 275 pounds, and, with the seat or bench or whatever an organist sits on, it takes only a space of 4 by 4 feet.

An electric cable runs from this, usually under a rug, preferably Oriental, to some spot in the room where a radio-like contraption stands which we will call the power cabinet. That's where the music comes out. The cabinet weighs 175 pounds and takes up about as much room as a radio and might be mistaken for one.

Well, anyway, by combining the above-mentioned frequencies, you understand—it's all very simple—the

William E. Scripps, of the newspaper string, has one, and Henry Ford another, this for the Stephen Foster House in Dearborn, Mich.

Sales Manager Penny has been blueprinting his markets and figures them in importance in about this manner:

(1) Homes. (2) Churches. (3) Large auditoriums. (4) Mortuary chapels. (5) Professional use, theatres, hotels, night clubs. (6) Schools and colleges. (7) Restaurants and ballrooms.

Some trade paper advertising has been done, mostly in the musical field. *Time* has carried a test page and will carry others, spaced about five weeks apart, through the year. National advertising is expected, but only when the factory can fill expected demands.

#### Get Bellwethers First

So far the most of the work has been done by direct visits to leading musical houses in the better cities. Usually Mr. Penny drops into a city and invites the chiefs of the music houses in for a recital.

Dealer franchises are given to some, and to some others the jitters, because the device is covered with patents and there is no present or likely competition. Pipe organ manufacturers, of which there are about 15, are turning back-handsprings because a pipe organ costs from \$10,000 to \$100,000, depending on the pipe count, and it looks as if it would be no pipe to meet the new competition.

Pipe organs are hand-built devices, and mass production has never been known among them. Some plants consider the building of three organs a year a fair job. And now here's this.

The Hammond Clock Company, which is making the organ business tick, has not given franchises in New York, Chicago or Los Angeles. These are the three primary markets and there's the profit urge. Also, Mr. Penny says, these three spots are to be laboratories in which proper sales methods will be worked out to pass on to the lesser centers.

"We're new in it and want to learn about our business," he says. "I recently visited 18 cities and established 18 dealers, which is batting over 300."

Mr. Penny borrowed our last cigarette and mused:

"Funny — and interesting — about these music houses. On an average our dealers have been in business 50 years or more. The oldest music house in these U. S. A. is 102 years old, but we don't know which, as two of 'em are squabbling over the honor. One claims to have six months on the other."

Well, the company hasn't got out much of any direct mail yet, or any dealer stuff, or windows, or point-of-sales pieces.

Too damn busy trying to catch up on the orders, is the answer. But Erwin, Wasey is working out a cam-

paign—for some time in the future—and Underwood & Underwood has done some swell pics (see illustrations)—so something will pop one of these days, if you remember what Hammond Clock Company did about the electric clock thing.



Charles Roster, director of the Texas State Department of Information, looks over one day's mail: 1,800 letters of inquiry from all over the country. They were received in response to a single advertisement, in the *Saturday Evening Post*.

## Texas Centennial Ads, in Varied Media, Round-up Many Inquiries

CONDUCTING its Fair as a big business, Texas has set a new pace in expositioning. The Texas legislature said, "Go ahead, pard, and spend half a million, and get our name in the papers," and the Fair foremen have done and are doing accordingly.

At least another half million is being spent by firms who get their mailing list from the Centennial—oil companies, railroads, air lines, bus companies, hotels, motor courts, dude ranches and the others who will show

some 12,000,000 visitors a big time in a state that's so big that the inhabitants of the Rio Grande Valley call the Dallas folk "Yankees."

Results: Between 1,500 and 3,000 people are daily satisfying their curiosity about where the Texas moo-cows moo and whether it's safe yet for women and children to stay at Texas hotels unescorted. (Somehow the western story magazines have been able to keep alive the romantic illusion of a Texas of hard-ridin', hard-drinkin', straight-shootin' and hard-lovin' men, and Texas in grooming for the celebration this year, though promising safety for visitors, is again donning sombreros, bright scarfs and chaps—this time to thrill newcomers.)

Each Centennial magazine advertisement is properly couped to rope in inquiries. Greatest numbers of these inquiries are coming from the Middle Atlantic seaboard and the wheat belt of Iowa, Kansas and the Dakotas, according to Roger Busfield, whose business it is as boss of the periodicals to keep close tabulation on such matters. California is next in response. An insertion in the *Saturday Evening Post* has set eight foreign countries—Australia, England, Sweden, Norway, Denmark, Italy, Spain and France—to gathering such facts as: Unless your

(Continued on page 655)



The author is dressed in the costume which will be practically obligatory for Texans and the anticipated millions of visitors to the state's great exposition at Dallas.

# How Newspapers Cover Leading City Markets

THIS is a pioneering study of newspaper coverage. The usual method of quoting circulation figures—merely the number of copies sold—does not relate circulations to circulation potentials. The method used in this study reduces all copies sold to a common denominator, and is similar in its working to the "profiles" of cities and magazines which appeared under Market Research Corporation of America—SALES MANAGEMENT joint sponsorship in the issues of February 15 and March 1.

The following tables show for leading morning, evening and Sunday newspapers their city-zone A.B.C. circulations in terms of number of copies per 1,000 population. The list used for selection was confined to cities having more than 100,000 population, the newspapers are limited to those with 150 or more copies sold per 1,000 population, and net paid figures of September 30, 1935, were used. Official government census figures for *number of families* are not available always by city-zone population figures, but using the U.S.A. average of 4.1 persons per family, every newspaper with 150 copies per 1,000 population reaches approximately 61% of the families:

|     |        |   |      |             |
|-----|--------|---|------|-------------|
| 175 | copies | = | 72%  | of families |
| 200 | "      | = | 82%  | "           |
| 225 | "      | = | 92%  | "           |
| 244 | "      | = | 100% | "           |

This survey was prepared for SALES MANAGEMENT by the Market Research Corporation of America under the direction of Percival White and Pauline Arnold. A more complete analysis of all cities of 100,000 or more population and their newspapers will be a feature of the May 1 issue.

## Morning

|                               | Net Paid<br>Copies<br>Per 1,000<br>Pop. |
|-------------------------------|---|
| 1. Kansas City Times          | 261                                     |
| 2. Miami Herald               | 246                                     |
| 3. Tulsa World                | 210                                     |
| 4. Wichita Eagle              | 196                                     |
| 5. Richmond Times-Dispatch    | 192                                     |
| 5. Jacksonville Times-Union   | 192                                     |
| 7. Oklahoma City Oklahoman    | 182                                     |
| 8. Atlantic City Press        | 180                                     |
| 8. St. Paul Pioneer Press     | 180                                     |
| 10. Memphis Commercial Appeal | 178                                     |
| 11. Chattanooga Times         | 174                                     |
| 12. Reading Times             | 166                                     |
| 13. Tampa Tribune             | 163                                     |
| 13. New York News             | 163                                     |

(Continued on page 658)

[ 624 ]

## Evening

|                                | Net Paid<br>Copies<br>Per 1,000<br>Pop. |
|--------------------------------|---|
| 1. Des Moines Tribune          | 294                                     |
| 2. Columbus Dispatch           | 290                                     |
| 3. Denver Post                 | 278                                     |
| 4. Grand Rapids Press          | 277                                     |
| 5. Kansas City Star            | 267                                     |
| 6. Richmond News-Leader        | 250                                     |
| 7. Canton Repository           | 243                                     |
| 8. Ft. Wayne News-Sentinel     | 237                                     |
| 9. Flint Journal               | 235                                     |
| 9. Toledo Blade                | 235                                     |
| 11. Sacramento Bee             | 233                                     |
| 12. Trenton Times              | 229                                     |
| 13. Pawtucket Times            | 217                                     |
| 14. Long Beach Press-Telegram  | 216                                     |
| 15. Oklahoma City Times        | 215                                     |
| 16. Wilmington Journal         | 213                                     |
| 17. New Bedford Standard-Times | 210                                     |
| 17. Spokane Chronicle          | 210                                     |
| 19. Hartford Times             | 208                                     |
| 20. Cincinnati Times-Star      | 207                                     |
| 20. Reading Eagle              | 207                                     |
| 22. Baltimore News-Post        | 203                                     |
| 22. Indianapolis News          | 203                                     |
| 24. Buffalo News               | 202                                     |
| 25. Providence Bulletin        | 201                                     |
| 26. Scranton Times             | 200                                     |
| 27. Louisville Times           | 199                                     |
| 27. Camden Courier-Post        | 199                                     |
| 29. Harrisburg News            | 198                                     |
| 29. Wichita Eagle              | 198                                     |
| 29. Fall River Herald-News     | 198                                     |
| 32. Duluth Herald              | 197                                     |
| 33. Omaha World-Herald         | 196                                     |
| 34. Miami News                 | 195                                     |
| 35. Tulsa Tribune              | 192                                     |
| 35. Wichita Beacon             | 192                                     |
| 37. Utica Observer-Dispatch    | 191                                     |
| 37. Tacoma Times               | 191                                     |
| 39. Washington Star            | 190                                     |
| 40. Akron Beacon-Journal       | 189                                     |
| 41. St. Paul Dispatch          | 186                                     |
| 42. Portland Journal           | 184                                     |
| 43. Chattanooga News           | 181                                     |
| 44. Dayton News                | 180                                     |
| 45. Knoxville News-Sentinel    | 179                                     |
| 46. Seattle Times              | 178                                     |
| 47. Jacksonville Journal       | 177                                     |
| 48. Worcester Gazette          | 176                                     |
| 48. South Bend Tribune         | 176                                     |
| 50. Erie Dispatch-Herald       | 175                                     |
| 51. Erie Times                 | 172                                     |
| 52. Troy Record                | 170                                     |
| 52. Evansville Press           | 170                                     |
| 52. Gary Post-Tribune          | 170                                     |
| 55. Yonkers Herald-Statesman   | 169                                     |

(Continued on page 658)

## Sunday

|                                  | Net Paid<br>Copies<br>Per 1,000<br>Pop. |
|----------------------------------|---|
| 1. Denver Post                   | 285                                     |
| 2. Des Moines Register           | 278                                     |
| 3. Long Beach Press-Telegram     | 271                                     |
| 4. Kansas City Star              | 264                                     |
| 5. Louisville Times              | 247                                     |
| 6. Miami Herald                  | 244                                     |
| 7. Canton Repository             | 231                                     |
| 8. Flint Journal                 | 226                                     |
| 9. Wichita Eagle                 | 221                                     |
| 10. San Francisco Examiner       | 220                                     |
| 10. Salt Lake Tribune            | 220                                     |
| 12. Columbus Dispatch            | 217                                     |
| 13. Spokane Spokesman-Review     | 216                                     |
| 14. Wichita Beacon               | 214                                     |
| 15. Oklahoma City Oklahoman      | 211                                     |
| 15. Tulsa World                  | 211                                     |
| 17. San Diego Union              | 210                                     |
| 18. Omaha World-Herald           | 209                                     |
| 19. Jacksonville Times-Union     | 208                                     |
| 20. Minneapolis Tribune          | 203                                     |
| 21. Cincinnati Enquirer          | 201                                     |
| 22. Memphis Commercial Appeal    | 199                                     |
| 23. San Antonio Light            | 198                                     |
| 23. Richmond Times-Dispatch      | 198                                     |
| 25. Tulsa Tribune                | 196                                     |
| 26. Ft. Worth Star-Telegram      | 195                                     |
| 27. Washington Star              | 194                                     |
| 28. Indianapolis Star            | 192                                     |
| 29. Baltimore American           | 188                                     |
| 30. St. Paul Dispatch            | 187                                     |
| 31. Nashville Tennessean         | 186                                     |
| 32. Little Rock Arkansas Gazette | 185                                     |
| 33. Baltimore Sun                | 183                                     |
| 34. Nashville Banner             | 182                                     |
| 35. Knoxville News-Sentinel      | 180                                     |
| 36. Los Angeles Examiner         | 179                                     |
| 36. Cleveland Plain Dealer       | 179                                     |
| 38. Washington Herald            | 178                                     |
| 38. Chattanooga Times            | 178                                     |
| 40. Portland Oregonian           | 177                                     |
| 41. Tampa Tribune                | 175                                     |
| 42. Houston Chronicle            | 171                                     |
| 43. New Orleans Times-Picayune   | 167                                     |
| 43. Seattle Times                | 167                                     |
| 43. Dayton News                  | 167                                     |
| 46. Miami News                   | 166                                     |
| 47. Evansville Press             | 165                                     |
| 48. Dallas Times-Herald          | 164                                     |
| 48. Atlantic City Press          | 164                                     |
| 50. Ft. Wayne Journal-Gazette    | 163                                     |
| 51. Worcester Gazette            | 162                                     |
| 52. South Bend Tribune           | 161                                     |
| 52. Reading Eagle                | 161                                     |
| 52. Tacoma Ledger                | 161                                     |
| 55. Portland Journal             | 159                                     |
| 55. Erie Dispatch-Herald         | 159                                     |
| 55. Trenton Times                | 159                                     |
| 58. St. Louis Post-Dispatch      | 158                                     |
| 59. Houston Post                 | 157                                     |
| 59. Duluth News-Tribune          | 157                                     |
| 61. Norfolk Virginian-Pilot      | 156                                     |
| 61. New York News                | 156                                     |
| 63. Peoria Star                  | 155                                     |
| 64. Rochester Times-Union        | 154                                     |
| 65. Knoxville Journal            | 153                                     |
| 65. Evansville Courier-Journal   | 153                                     |
| 67. Omaha Bee-News               | 151                                     |
| 67. Seattle Post-Intelligencer   | 151                                     |

SALES MANAGEMENT

| E. R. SQUIBB & SONS |  | CUSTOMERS PURCHASE RECORD |                    |          |         |
|---------------------|--|---------------------------|--------------------|----------|---------|
| CODE                | GROUPS OF PRODUCTS   | FOR PERIOD                |                    |          |         |
|                     |  | FROM<br>JAN.<br>1ST       | TO<br>March<br>1st | PURCHASE | CREDITS |
| 01                  | DENTAL CARE - H. D. 20%  | 326.02                    | 326.75             |          |         |
| 02                  | TOILET PRODUCTS - BALANCE  | 8.37                      | 31.60              | 10.02    |         |
| 03                  | GENERAL OIL PRODUCTS   | 22.95                     |                    | 24.06    |         |
| 04                  | HORSES NUTRITIVES - BALANCE  | 29.94                     | 1.20               | 32.00    |         |
| 05                  | COD LIVER OIL PLATE AND REST   | 20.40                     |                    | 23.22    |         |
| 06                  | COD LIVER OIL WITH VITAMINOL   | 8.51                      |                    | 9.95     | 32.40   |
| 07                  | HILLS OF MARYLAND PRODUCTS   | 12.75                     |                    | 13.60    |         |
| 08                  | ASPIRIN TABLETS - COUNTRY SELLERS  | 15.37                     |                    | 17.00    |         |
| 09                  |  |                           |                    |          |         |
| 10                  | ABEX PRODUCTS  | 21.40                     |                    | 23.10    |         |
| 11                  | VITAMINOL, ABEX HALIBUT LIVER OIL, WITE VITAMINOL PRODUCTS   | 12.85                     | 3.80               | 14.05    | 7.45    |
| 12                  | VITAMINOL PRODUCTS AND YEAST PRODUCTS  | 7.70                      |                    | 8.85     |         |
| 13                  | RAVITOL, CAPS. VIT. A & D. 2000 U.S.P. & CAPSULES, COD HAKEBUT OIL & HALIBUT LIVER OIL, PLAIN PRODUCTS | 17.35                     |                    | 20.00    |         |
| 14                  | HEMULIN  | 11.37                     |                    | 12.60    |         |
| 15                  | GLANDULAR AND LIVER PRODUCTS   | 7.35                      |                    | 8.40     |         |
| 16                  | AMPHENAMINE, AMPHENAMINE, ABEX SERENIN   | 10.50                     |                    | 11.60    | 3.10    |
| 17                  | PROFESSIONAL SPECIALISTS - BALANCE   | 6.00                      | 2.00               | 7.10     |         |
| 18                  | OTHER  | .55                       |                    | 1.00     |         |
| 19                  | CHEMICALS AND DRUGS  | 6.00                      |                    | 8.00     |         |
| 20                  | PHARMACEUTICALS AND TABLETS  | 26.10                     |                    | 28.50    |         |
| 21                  | BISMUTH, IODIDES AND NARCOTIC SALTS  | 10.60                     |                    | 12.00    |         |
| 22                  | BIOLOGICALS  | 6.04                      | 2.00               | 8.20     | 5.20    |
| 23                  | VETERINARY AND ANIMAL FEEDING PRODUCTS   |                           |                    |          |         |
| 24                  | MISCELLANEOUS - PREMIUM MERCHANDISE, ETC.  |                           |                    |          |         |
| 25                  |  |                           |                    |          |         |
| 26                  |  |                           |                    |          |         |
| 27                  |  |                           |                    |          |         |
| 28                  |  |                           |                    |          |         |
| 29                  |  |                           |                    |          |         |
| 30                  |  |                           |                    |          |         |
| 31                  |  |                           |                    |          |         |
| 32                  |  |                           |                    |          |         |
| 33                  |  |                           |                    |          |         |
| 34                  |  |                           |                    |          |         |
| 35                  |  |                           |                    |          |         |
| 36                  |  |                           |                    |          |         |
| 37                  |  |                           |                    |          |         |
| 38                  |  |                           |                    |          |         |
| 39                  |  |                           |                    |          |         |
| 40                  |  |                           |                    |          |         |
| 41                  |  |                           |                    |          |         |
| 42                  |  |                           |                    |          |         |
| 43                  |  |                           |                    |          |         |
| 44                  |  |                           |                    |          |         |
| 45                  |  |                           |                    |          |         |
| 46                  |  |                           |                    |          |         |
| 47                  |  |                           |                    |          |         |
| 48                  |  |                           |                    |          |         |
| 49                  |  |                           |                    |          |         |
| 50                  |  |                           |                    |          |         |
| 51                  |  |                           |                    |          |         |
| 52                  |  |                           |                    |          |         |
| 53                  |  |                           |                    |          |         |
| 54                  |  |                           |                    |          |         |
| 55                  |  |                           |                    |          |         |
| 56                  |  |                           |                    |          |         |
| 57                  |  |                           |                    |          |         |
| 58                  |  |                           |                    |          |         |
| 59                  |  |                           |                    |          |         |
| 60                  |  |                           |                    |          |         |
| 61                  |  |                           |                    |          |         |
| 62                  |  |                           |                    |          |         |
| 63                  |  |                           |                    |          |         |
| 64                  |  |                           |                    |          |         |
| 65                  |  |                           |                    |          |         |
| 66                  |  |                           |                    |          |         |
| 67                  |  |                           |                    |          |         |
| 68                  |  |                           |                    |          |         |
| 69                  |  |                           |                    |          |         |
| 70                  |  |                           |                    |          |         |
| 71                  |  |                           |                    |          |         |
| 72                  |  |                           |                    |          |         |
| 73                  |  |                           |                    |          |         |
| 74                  |  |                           |                    |          |         |
| 75                  |  |                           |                    |          |         |
| 76                  |  |                           |                    |          |         |
| 77                  |  |                           |                    |          |         |
| 78                  |  |                           |                    |          |         |
| 79                  |  |                           |                    |          |         |
| 80                  |  |                           |                    |          |         |
| 81                  |  |                           |                    |          |         |
| 82                  |  |                           |                    |          |         |
| 83                  |  |                           |                    |          |         |
| 84                  |  |                           |                    |          |         |
| 85                  |  |                           |                    |          |         |
| 86                  |  |                           |                    |          |         |
| 87                  |  |                           |                    |          |         |
| 88                  |  |                           |                    |          |         |
| 89                  |  |                           |                    |          |         |
| 90                  |  |                           |                    |          |         |
| 91                  |  |                           |                    |          |         |
| 92                  |  |                           |                    |          |         |
| 93                  |  |                           |                    |          |         |
| 94                  |  |                           |                    |          |         |
| 95                  |  |                           |                    |          |         |
| 96                  |  |                           |                    |          |         |
| 97                  |  |                           |                    |          |         |
| 98                  |  |                           |                    |          |         |
| 99                  |  |                           |                    |          |         |
| 100                 |  |                           |                    |          |         |
| 101                 |  |                           |                    |          |         |
| 102                 |  |                           |                    |          |         |
| 103                 |  |                           |                    |          |         |
| 104                 |  |                           |                    |          |         |
| 105                 |  |                           |                    |          |         |
| 106                 |  |                           |                    |          |         |
| 107                 |  |                           |                    |          |         |
| 108                 |  |                           |                    |          |         |
| 109                 |  |                           |                    |          |         |
| 110                 |  |                           |                    |          |         |
| 111                 |  |                           |                    |          |         |
| 112                 |  |                           |                    |          |         |
| 113                 |  |                           |                    |          |         |
| 114                 |  |                           |                    |          |         |
| 115                 |  |                           |                    |          |         |
| 116                 |  |                           |                    |          |         |
| 117                 |  |                           |                    |          |         |
| 118                 |  |                           |                    |          |         |
| 119                 |  |                           |                    |          |         |
| 120                 |  |                           |                    |          |         |
| 121                 |  |                           |                    |          |         |
| 122                 |  |                           |                    |          |         |
| 123                 |  |                           |                    |          |         |
| 124                 |  |                           |                    |          |         |
| 125                 |  |                           |                    |          |         |
| 126                 |  |                           |                    |          |         |
| 127                 |  |                           |                    |          |         |
| 128                 |  |                           |                    |          |         |
| 129                 |  |                           |                    |          |         |
| 130                 |  |                           |                    |          |         |
| 131                 |  |                           |                    |          |         |
| 132                 |  |                           |                    |          |         |
| 133                 |  |                           |                    |          |         |
| 134                 |  |                           |                    |          |         |
| 135                 |  |                           |                    |          |         |
| 136                 |  |                           |                    |          |         |
| 137                 |  |                           |                    |          |         |
| 138                 |  |                           |                    |          |         |
| 139                 |  |                           |                    |          |         |
| 140                 |  |                           |                    |          |         |
| 141                 |  |                           |                    |          |         |
| 142                 |  |                           |                    |          |         |
| 143                 |  |                           |                    |          |         |
| 144                 |  |                           |                    |          |         |
| 145                 |  |                           |                    |          |         |
| 146                 |  |                           |                    |          |         |
| 147                 |  |                           |                    |          |         |
| 148                 |  |                           |                    |          |         |
| 149                 |  |                           |                    |          |         |
| 150                 |  |                           |                    |          |         |
| 151                 |  |                           |                    |          |         |
| 152                 |  |                           |                    |          |         |
| 153                 |  |                           |                    |          |         |
| 154                 |  |                           |                    |          |         |
| 155                 |  |                           |                    |          |         |
| 156                 |  |                           |                    |          |         |
| 157                 |  |                           |                    |          |         |
| 158                 |  |                           |                    |          |         |
| 159                 |  |                           |                    |          |         |
| 160                 |  |                           |                    |          |         |
| 161                 |  |                           |                    |          |         |
| 162                 |  |                           |                    |          |         |
| 163                 |  |                           |                    |          |         |
| 164                 |  |                           |                    |          |         |
| 165                 |  |                           |                    |          |         |
| 166                 |  |                           |                    |          |         |
| 167                 |  |                           |                    |          |         |
| 168                 |  |                           |                    |          |         |
| 169                 |  |                           |                    |          |         |
| 170                 |  |                           |                    |          |         |
| 171                 |  |                           |                    |          |         |
| 172                 |  |                           |                    |          |         |
| 173                 |  |                           |                    |          |         |
| 174                 |  |                           |                    |          |         |
| 175                 |  |                           |                    |          |         |
| 176                 |  |                           |                    |          |         |
| 177                 |  |                           |                    |          |         |
| 178                 |  |                           |                    |          |         |
| 179                 |  |                           |                    |          |         |
| 180                 |  |                           |                    |          |         |
| 181                 |  |                           |                    |          |         |
| 182                 |  |                           |                    |          |         |
| 183                 |  |                           |                    |          |         |
| 184                 |  |                           |                    |          |         |
| 185                 |  |                           |                    |          |         |
| 186                 |  |                           |                    |          |         |
| 187                 |  |                           |                    |          |         |
| 188                 |  |                           |                    |          |         |
| 189                 |  |                           |                    |          |         |
| 190                 |  |                           |                    |          |         |
| 191                 |  |                           |                    |          |         |
| 192                 |  |                           |                    |          |         |
| 193                 |  |                           |                    |          |         |
| 194                 |  |                           |                    |          |         |
| 195                 |  |                           |                    |          |         |
| 196                 |  |                           |                    |          |         |
| 197                 |  |                           |                    |          |         |
| 198                 |  |                           |                    |          |         |
| 199                 |  |                           |                    |          |         |
| 200                 |  |                           |                    |          |         |
| 201                 |  |                           |                    |          |         |
| 202                 |  |                           |                    |          |         |
| 203                 |  |                           |                    |          |         |
| 204                 |  |                           |                    |          |         |
| 205                 |  |                           |                    |          |         |
| 206                 |  |                           |                    |          |         |
| 207                 |  |                           |                    |          |         |
| 208                 |  |                           |                    |          |         |
| 209                 |  |                           |                    |          |         |
| 210                 |  |                           |                    |          |         |
| 211                 |  |                           |                    |          |         |
| 212                 |  |                           |                    |          |         |
| 213                 |  |                           |                    |          |         |
| 214                 |  |                           |                    |          |         |
| 215                 |  |                           |                    |          |         |
| 216                 |  |                           |                    |          |         |
| 217                 |  |                           |                    |          |         |
| 218                 |  |                           |                    |          |         |
| 219                 |  |                           |                    |          |         |
| 220                 |  |                           |                    |          |         |
| 221                 |  |                           |                    |          |         |
| 222                 |  |                           |                    |          |         |
| 223                 |  |                           |                    |          |         |
| 224                 |  |                           |                    |          |         |
| 225                 |  |                           |                    |          |         |
| 226                 |  |                           |                    |          |         |
| 227                 |  |                           |                    |          |         |
| 228                 |  |                           |                    |          |         |
| 229                 |  |                           |                    |          |         |
| 230                 |  |                           |                    |          |         |
| 231                 |  |                           |                    |          |         |
| 232                 |  |                           |                    |          |         |
| 233                 |  |                           |                    |          |         |
| 234                 |  |                           |                    |          |         |
| 235                 |  |                           |                    |          |         |
| 236                 |  |                           |                    |          |         |
| 237                 |  |                           |                    |          |         |
| 238                 |  |                           |                    |          |         |
| 239                 |  |                           |                    |          |         |
| 240                 |  |                           |                    |          |         |
| 241                 |  |                           |                    |          |         |
| 242                 |  |                           |                    |          |         |
| 243                 |  |                           |                    |          |         |
| 244                 |  |                           |                    |          |         |
| 245                 |  |                           |                    |          |         |
| 246                 |  |                           |                    |          |         |
| 247                 |  |                           |                    |          |         |
| 248                 |  |                           |                    |          |         |
| 249                 |  |                           |                    |          |         |
| 250                 |  |                           |                    |          |         |
| 251                 |  |                           |                    |          |         |
| 252                 |  |                           |                    |          |         |
| 253                 |  |                           |                    |          |         |
| 254                 |  |                           |                    |          |         |
| 255                 |  |                           |                    |          |         |
| 256                 |  |                           |                    |          |         |
| 257                 |  |                           |                    |          |         |
| 258                 |  |                           |                    |          |         |
| 259                 |  |                           |                    |          |         |
| 260                 |  |                           |                    |          |         |
| 261                 |  |                           |                    |          |         |
| 262                 |  |                           |                    |          |         |
| 263                 |  |                           |                    |          |         |
| 264                 |  |                           |                    |          |         |
| 265                 |  |                           |                    |          |         |
| 266                 |  |                           |                    |          |         |
| 267                 |  |                           |                    |          |         |
| 268                 |  |                           |                    |          |         |
| 269                 |  |                           |                    |          |         |
| 270                 |  |                           |                    |          |         |
| 271                 |  |                           |                    |          |         |
| 272                 |  |                           |                    |          |         |
| 273                 |  |                           |                    |          |         |
| 274                 |  |                           |                    |          |         |
| 275                 |  |                           |                    |          |         |
| 276                 |  |                           |                    |          |         |
| 277                 |  |                           |                    |          |         |
| 278                 |  |                           |                    |          |         |
| 279                 |  |                           |                    |          |         |
| 280                 |  |                           |                    |          |         |
| 281                 |  |                           |                    |          |         |
| 282                 |  |                           |                    |          |         |
| 283                 |  |                           |                    |          |         |
| 284                 |  |                           |                    |          |         |
| 285                 |  |                           |                    |          |         |
| 286                 |  |                           |                    |          |         |
| 287                 |  |                           |                    |          |         |
| 288                 |  |                           |                    |          |         |
| 289                 |  |                           |                    |          |         |
| 290                 |  |                           |                    |          |         |
| 291                 |  |                           |                    |          |         |
| 292                 |  |                           |                    |          |         |
| 293                 |  |                           |                    |          |         |
| 294                 |  |                           |                    |          |         |
| 295                 |  |                           |                    |          |         |
| 296                 |  |                           |                    |          |         |
| 297                 |  |                           |                    |          |         |
| 298                 |  |                           |                    |          |         |
| 299                 |  |                           |                    |          |         |
| 300                 |  |                           |                    |          |         |
| 301                 |  |                           |                    |          |         |
| 302                 |  |                           |                    |          |         |



Davis men are aided in their selling by the elaborate sales kit shown here. So it is one of the things described to prospective salesmen in the first follow-up to their applications

## How We Recruit 500 Salesmen a Year by Mail

THE problems pertaining to the recruiting of salesmen by mail are similar in most respects to those relating to other methods of recruiting. The principal difference is that the "recruiting officer" doesn't have the benefit of a personal interview with applicants. Experience teaches him to appraise applicants quite well without such an interview, however, and his percentage of error probably is little if any higher than is that of one who travels and appoints salesmen personally.

We budget each season approximately 1,200 sample lines and place these with as many salesmen, who operate in every state of the Union. All sell direct, on a straight commission and bonus basis. Of the 1,200, about two-thirds are veterans who may be classed as permanent. The others are recruits who are still on trial.

To replace recruits who fail to make good, and to fill occasional gaps in the ranks of the veterans, we have to hire about 500 new salesmen each season. Of these, 22 to 25% succeed to the extent of remaining with us one or more seasons and selling enough tailoring to hold their territory.

This, we believe, compares favorably with the rate of turnover of commission salesmen in most direct-selling organizations, including those that interview applicants personally.

We hire some salesmen at the factory, of course, while our eight offices employ others, but most of them are secured through advertising and correspondence.

We advertise for salesmen in season, using display space in several salesmen's magazines and classified in newspapers wherever needed. We have experimented with such advertising and studied results for years, but about the only conclusions we have been able to reach are rather general ones.

One of these is that our advertising must be fairly conservative in tone to attract the better class of salesman. We cannot afford to employ ne'er-do-wells or high-pressure artists, for two reasons: First, because ours is a quality line, sold chiefly to the middle and better classes and fully guaranteed, and second, because we furnish each salesman, without deposit, a sales kit valued at \$30. Even if we cared to hire every salesman we could get, without other considerations (which we don't), the cost of equipping such a large number, most of whom would remain with us only a short time, would be prohibitive.

It is true that high-pressure, get-rich-quick copy pulls more inquiries, but it produces fewer satisfactory salesmen and at greater cost. At the same time, it tends to destroy confidence and to deter the very salesmen we most wish to contact. Right now we are

**B Y**  
**FRED S. WILLIS**

*Director of Sales,  
The P. H. Davis Tailoring Co.  
Cincinnati, Ohio*

P. H. Davis has found that on the average they hire one man for every ten applications received. Experience has taught them that copy of conservative tone is more effective in attracting suitable candidates than more sensational approaches.

experimenting with somewhat more aggressive display copy than usual, but this is chiefly for comparative purposes.

A sensational ad that pulls a hundred inquiries may be a poorer one for us than a conservative one that pulls only half as many.

One piece of copy tried and discarded, for example, read:

Most Sensational Tailoring Line in history ready! Davis announces new money-making features. All clothes insured for one year. Low prices—big compensation and bonuses. Experience unnecessary. Samples furnished.

Much more satisfactory is a little, half-inch liner that we're using at present:

Ten Men With Retail Clothing experience wanted at once for permanent position. Opportunity to establish business paying up to \$5,000 annually.

This calls for men with retail clothing experience, which is desirable but not required. At any rate, they are usually a good class of salesman. The opportunity to establish a business paying up to \$5,000 annually is a conservative statement, as we have many salesmen who earn that much and more.

Advertising for salesmen, though, seems to be highly speculative and results sometimes are inexplicable. For example, we recently ran a display ad in the classified section of three news-

Now  
is the time to  
**BLOW**  
your whistle

Oklahoma City stepped into the lead in the 10th Federal Reserve District's race for business during February when department store sales forged ahead 19% . . . leading the area's average gain by 15% and the national average by 6%! Similarly, bank debits spurred ahead of the district 5.3% for a 14.6% gain. Building permits reached 50% of the area's total and were nearly 300 per cent above last year.

And, in March, bank debits climbed 17%, while private building permits jumped 339%.

With all general business indices pointing to steady, marked gains during the next few months, now is the time to blow your whistle in the Oklahoma City market. You can do it with single effectiveness by concentrating your advertising schedules in the *Oklahoman* and *Times*. Your sales messages in these newspapers go into 9 out of every 10 homes in the city; into 3 out of every five in the trade area . . . at the **LOWEST** milline rate in the state.



The Sunday *Oklahoman*'s net paid average circulation for March reached an all-time high . . . 127,494!



**The DAILY OKLAHOMAN-OKLAHOMA CITY TIMES**

*National Representative—E. Katz Special Advertising Agency*

APRIL 20, 1936

[ 627 ]

papers in New England, featuring the picture and experience of one of our salesmen there who has made good money all through the depression. It pulled just one inquiry!

On another occasion we took display space in two magazines in which to publish the pictures and records of about 15 of our veteran salesmen. One pulled well, while the other didn't. As we advertise regularly in both publications, we know they usually pull about the same.

We get frequent inquiries from ads published one to several years ago.

The weeding-out process begins on receipt of inquiries. The high-pressure salesman usually betrays himself in his letter. He wants us to rush samples at once—he has a lot of business all ready and waiting—he admits he's a go-getter—he doesn't want to be bothered with red tape—he hasn't time to wait for us to look up references, and so on. His inquiry goes into the waste-basket along with those from others who can't write an intelligible note, can't spell simple words, write "I" with a small letter, or in other ways reveal that they are not attractive candidates.

The better type, who is looking for a quality line and is willing to work, is more likely to say something to the effect that our proposition seems reasonable and he would like to know more about it. He doesn't commit himself until he does know all about it.

#### Follow-up Letters Play Fair

To all who appear at all desirable, we send a personal letter, an application form, and some literature which outlines our proposition fully, frankly, and without exaggeration. We must sell ourselves and our line here, but we must be very careful in doing so, both for our own sake and for that of the inquirer. We don't want the salesman who still believes in Santa Claus, and the better type salesman doesn't want to join a firm that obviously tries to deceive him in the very beginning.

The personal letter is more effective than a form, avoids giving the impression that we are hiring salesmen wholesale, and affords opportunity to answer any questions that may have been asked.

The literature includes a 24-page booklet entitled, "A Permanent, Profitable Business of Your Own, Without Investment," a folder entitled, "The Earnings of a Davis Square Deal Salesman," and material concerning our current line and current campaign.

The booklet discusses the opportunity in the tailoring industry, pre-  
(Continued on page 657)

BY  
HOWARD T. LEWIS  
*Professor of Marketing, Harvard University,  
Graduate School of Business Administration*

## The Arguments for and Against Company Purchases for Employees

(The article "Retailers Open Fight on Company Purchases at Wholesale for Employees," in the March 15 issue of *SALES MANAGEMENT*, drew much comment from executives who have been wrestling with the problem, either on the buying or the selling side—or, perhaps, both. Prof. Howard T. Lewis, of the Harvard Graduate School of Business Administration, who has made a special study of the subject, was good enough to send the editors a copy of an address he made recently before the National Association of Purchasing Agents, in which he summarized the advantages and disadvantages of plans for employee purchasing. Since so many have given evidence of special interest in further discussion of policies surrounding industrial purchasing for individuals, we are printing Professor Lewis' summary here.—THE EDITORS.)

**A** PROPOSAL to adopt (or to discontinue) a plan of employee purchasing should, in last analysis, be considered as a matter of broad company policy rather than as a matter of purchasing department policy per se. The problems of organization and procedure involved do not generally present any great difficulty. The real issues are much more fundamental. Since the purchasing officer is likely to be consulted when any such plant is under consideration, however, he should be aware of the implications inherent in a final decision.

#### 1. Objective.

A. Wages are increased at little or no cost to the company.

#### 1. Arguments for:

a. Wages and prices generally may be advancing, and although the company finds itself compelled to meet this rising wage scale it may be unwilling or unable to make larger cash outlays in the form of wage payments.

b. Particularly in recent years, some employers have felt that prices (especially those of food) are unreasonably high. Employee purchasing may in reality raise real wages through a reduction in the cost of items purchased, thus bringing the price level somewhat more closely in line with what the company really feels it should be. Purchasing under these conditions should be continued only so long as prices are believed to be unreasonably high. It may be wise, however, to continue after the prices have been readjusted in order to prevent such prices from again getting out of line.

c. When the trend of wages is generally downward and the employer feels that he must cut his wage scale to meet competition, employee purchasing in part enables him to cut the monetary wage scale without reducing the real wage scale proportionately. Underlying both arguments (b and c) is the assumption that the company has a responsibility for its employees beyond the actual payment of money wages and extending to assisting them in spending their money more effectively.

#### 2. Arguments against:

a. Employees prefer cash.

b. Only those who are in a position to take advantage of the discounts made possible by the plan realize the wage increases and are thereby compensated for the decrease.

c. If a company considers the discount a partial wage payment, it is using the legitimate margin of the local retail business to pay its own labor. The cost of goods to the remaining customers in the community would be increased unless the burden of retail services could be reduced in proportion to the business assumed by the company through the discount.

d. The plan effects a blanket wage advance for all employees who use it regardless of individual merit.

e. There is a real question as to how much lower prices really can be reduced as compared with chain store, super-markets, and other low-cost distributive outlets, and particularly on certain commodities, such as sugar, on which the retail margin is extremely low in any event.

f. The experience of some companies indicates that their employees accept the benefits of the plan more for the credit facilities offered than for the lower prices which they obtain. In some respects the company is in a better position to extend credit than is the retailer; due to the fact that it has more direct control over the employees' income and to the fact that it may be better able financially to carry the account than is the retailer. An interesting question arises as to whether or not, during a period of prolonged depression, the manufacturer is not justified in providing credit facilities for his employees as a form of relief rather than shifting this credit burden to the retailer. If the manufacturer does accept the credit responsibility, the administration must be wisely controlled in order to avoid encouraging extravagance on the part of the employee.

B. Employees feel that they are entitled to any consideration or ad-

FOR EACH SUNDAY  
IN  
FEBRUARY  
AND MARCH

THE NET PAID CIRCULATION  
OF THE

**SUNDAY NEWS**  
NEW YORK'S PICTURE NEWSPAPER

EXCEEDED

**2,900,000**

THIS IS BY FAR THE LARGEST  
NEWSPAPER CIRCULATION IN AMERICA

vantage which the company can get for them. This argument applies particularly to the company's own products when these are of such a nature as to be usable by the employees.

C. Employees purchasing increases the loyalty of employees to the company. To this extent it may form a part of general company policy with reference to old-age pensions, thrift plans, etc. On the other hand, many manufacturers feel that this is an illusory benefit. They are convinced that the employees accept the benefits if and when offered but think no more highly of the company for the opportunity because of them.

D. Such a plan increases the goodwill toward the purchasing department and hence places that department in a stronger strategic position in dealing with management. While it may be considered that the purchase of items for employees is not strictly a matter of purchasing responsibility, yet, if the purchasing department can promote goodwill and loyalty among the employees by exercising (without undue stress) its experience, facilities, and training, it may be argued that it should be performed as part of its responsibility to contribute to the company's success.

E. Under certain circumstances, purchasing for employees may be necessary in order to make up for a lack of local suppliers. This is particularly true in such communities as mining and lumbering towns. It is contended that under some circumstances the plan tends to establish a condition of partial peonage. Whether it does or not is in reality a matter of company policy and purpose. Ordinarily, however, such peonage is more likely to develop in connection with a company store so situated that the employee has no option but to use it and at which all purchases must be made.

II. To reach a sound decision on the

problem, it is necessary to distinguish between three types of merchandise.

A. Merchandise manufactured by the company.

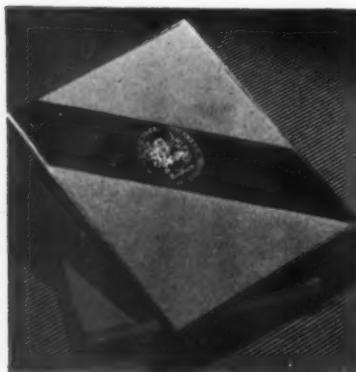
1. If the company manufactures industrial goods rather than consumer goods, no particular question arises since the employee is not ordinarily a buyer of such products.
2. If the company manufactures consumer goods, the effect on the sales department raises an important issue.
  - a. If the merchandise is sold locally through retail outlets and such sales constitute a substantial part of the retailer's volume of business, the policy is questionable. The issue here centers around the wisdom of competing with one's own distributors. Where the manufacturer depends upon independent retailers for a substantial volume of his sales, it may be unwise sales policy to compel such retailers to sell to company employees at a substantial discount. The fullest cooperation of the retail outlets upon which the company depends ultimately for its sales and therefore for its profits may be threatened even to the point where serious losses in sales would result from the adoption of a plan which secures for employees prices which allow the retailer no profit. The extent to which the company is dependent upon such outlets, the volume of employee purchasing which develops, and the extent to which such retailers actually do cooperate with the manufacturer are all factors bearing upon this point.
  - b. A somewhat related issue is that of whether or not a manufacturer should set up a retail outlet of his own at his plant for the purpose of selling not only to employees but also to any person at prices substantially under those which he hopes are prevailing at the usual retail outlets.
- B. Merchandise purchased by the manufacturer for his own use and resold to employees at cost.
  1. Retailer opposition in such instances is usually less.
  2. Such items are usually industrial items of no particular interest to employees. Even coal or fuel

oil may not be adaptable to home use. However, the company may arrange for quantity purchases of such items for consumer use and resell them to employees at cost.

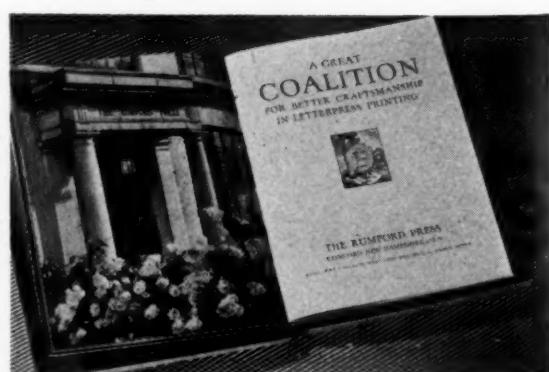
3. To some extent the retailer may be injured even by this arrangement. Local coal dealers and oil dealers may serve as an example. The service rendered by the company to its employees is not always wholly comparable to that rendered by the retailer. The cost of local delivery must be included and is a partial offset for the retail price. The retailer is still depended upon for emergency deliveries. But he is entitled to more than merely the emergency, poor credit, and unprofitable business.

C. Miscellaneous types of merchandise neither manufactured nor purchased by the company. In communities where local retail outlets either do not exist or are inadequate, the establishment of a company store may be necessary. In communities where such facilities are adequate, there is a serious question as to the justification for seeking to develop discount arrangements generally. In last analysis the decision of this particular question calls for the exercise of careful judgment. Thus the increase in the employees' loyalty to the company, if actual, and the increase in real wages to employees may be offset by the opposition of retailers and wholesalers generally. There is the further question as to whether or not the company is assuming an unduly paternalistic attitude toward its employees. The long-time effects also may differ materially from the short-time effects. The ultimate decision of the question will be determined by the extent to which management feels a social responsibility to its own employees.

(Continued on page 649)



The title of "most beautiful promotion piece of the year" might well be awarded to the metal-bound, lavishly illustrated, superbly printed book of the Rumford Press, Concord, N. H. Illustrations show the cover and accompanying box, and the title page and frontispiece. Pages are 12" x 16" on coated stock. Purpose is to show the facilities of the plant for handling all types of quality printing.





# ...speaking of Spending Power

**T**he charting of major American markets according to spending power in the April 10th issue of Sales Management is a valuable contribution to the advertising profession.

But markets are really people, rather than places. It is equally important that advertisers have concrete information on the nature and buying habits of their potential customers — how best to reach them.

Fawcett Women's Group circulation is concentrated in the major markets analyzed by Sales Management. Well over 2,000,000 young women voluntarily buy these magazines at newsstands every month. Young wives and mothers — they are the purchasing agents for growing families.

*Such is the stuff of which markets are made. Not only their aggregate spending power — but how they live, what they buy and what brands they prefer are of vital interest to every manufacturer of mass market goods.*

A nationwide survey of this tremendous Fawcett Women's Group market has recently been completed. It was broad enough in scope to cover every state in the Union. "The Age of Profit for Food Advertisers" contains a wealth of pertinent information on every phase of buying activity among these 2,000,000 women



readers — from family incomes and homes owned to favored brands and prices paid.

Translate your markets into people. Supplement Sales Management's "Survey of Spending Power" with Fawcett Women's Group's intimate consumer picture of more than one-fifteenth of all American families.

## SOON AVAILABLE

The second and third volumes of the Fawcett nationwide survey, "The Age of Profit for Drug and Cosmetic Advertisers" and "The Age of Profit for Household and General Advertisers," are in production now. Complete data on hundreds of products, broken down into price ranges, brand preferences and year of purchase of major equipment, are included. Reserve either or both these books by writing the nearest Fawcett Women's Group office.

## Fawcett Women's Group



1501 Broadway, New York City ★ 360 No. Michigan Ave., Chicago, Ill. ★ Simpson-Reilly, 536 S. Hill St., Los Angeles, Calif. ★ Simpson Reilly, 1014 Russ Building, San Francisco, Calif.

Direct mail, if properly used, can do wonders towards bringing salesmen a higher return from their selling time. Here's the way one enterprising chap used it to help him break into a local market where he was an utter stranger. See how simple—but how interesting—he has made his letters.

BY H. D. READ

## Friendly Letters Break the Ice for This Insurance Salesman

WHEN Bill Goodell (not William F.—that's part of the story) moved down to Louisville six years ago and tossed his hat on the mahogany desk in his insurance office that overlooks the mint julep capital of the world, one of his first problems was to find ways and means of getting himself known in his new community.

Paradoxically, one of the first things he did to accomplish this was to get up a letter to send to newcomers in the city. He figured it this way: "Sure, I'm new in Louisville, but the other new folks in town don't know that, and even if they did, they'd appreciate a friendly, welcoming letter from me now as much as if I'd been here all my life. Then if I'm the first insurance man who calls on them and if I can prove to them I have something to offer, I'll get their business."

The plan worked. That was in 1929. Today the idea is still a vital part of his friendship-making, sales-building program—and during this time, more than 50% of his total business has been done with people who have lived in Louisville less than ten years, and who have received his "newcomer" or other "greeting" letter.

Goodell sends an average of 20 "newcomer" letters per month, follows up every one with a personal call and then sends a second letter (No. 2 of accompanying illustrations) to the five to ten names he expects to keep for

his permanent prospect file. He has made sales within a year to an average of one in six of these prospects. Other sales, of course, have been made at later dates.

More important, these friendly letters, followed by equally friendly personal calls, have built for Bill Goodell a host of friends who in turn have directed much business his way from other friends.

This letter to "newcomers" is only one page in this alert insurance man's direct mail portfolio. He has one almost invariable rule—never to make cold-canvass calls without an introductory letter to precede him. Frequently it is just a sample get-acquainted letter, with little reference to life insurance except in enclosed circulars. Often, of course, the letter "talks" some specific phase of life insurance coverage or annuities, as in letters No. 3, 4 and 5 printed with this article.

Always, however, the letters are informal, chatty, and friendly. Always also, the first letter to a prospect bears a lithographed picture of Bill Goodell. And the letterhead itself says "Bill Goodell"—not "William" or "W. F." Different? Of course. Does it pay? Bill says, "Handsomely."

Here's his explanation: "People remember that letterhead. Then they remember *me* when I call. If the letterhead gets them to call me "Bill" on the first interview, we're friends from the start. Then I keep them as friends

by other direct mail follow-ups and a few calls. Sooner or later they all buy life insurance from someone and at least I'm in the running when they do."

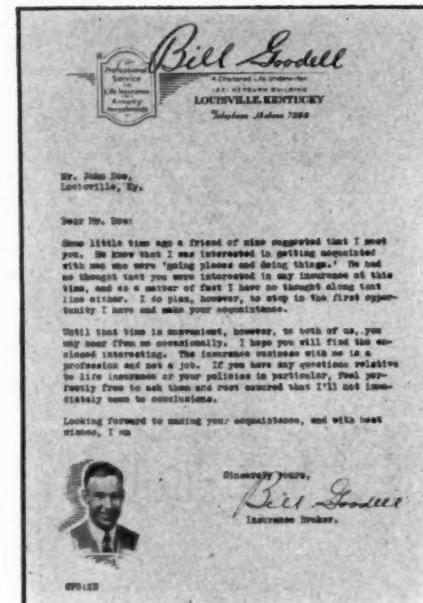
The keynote of this direct mail program, says Bill, is to build up a well-known and favorable remembrance of the name "Bill Goodell," so that people think of it whenever they think of life insurance—"and then you don't have to make a nuisance of yourself talking insurance every time you see a person."

For example, one man who had been "built up" largely by mail, recently bought a policy with an annual premium of \$782—three years after receiving a "newcomer" letter—and yet Bill had talked to him about life insurance only once in the meantime!

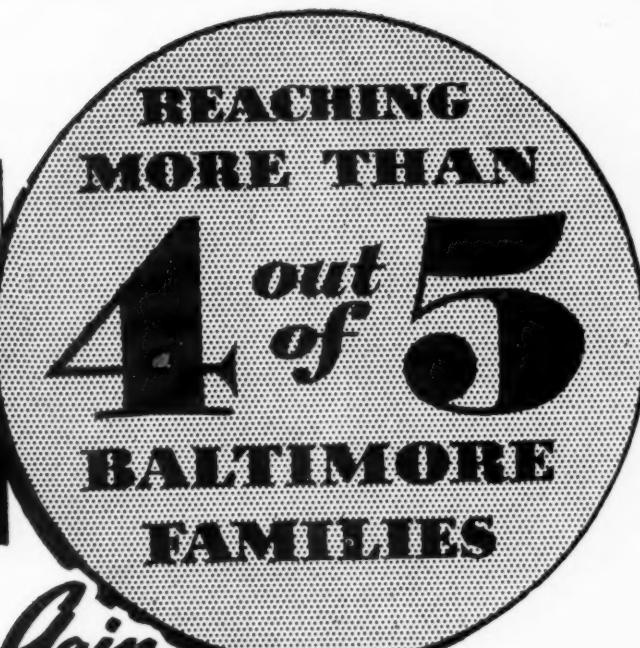
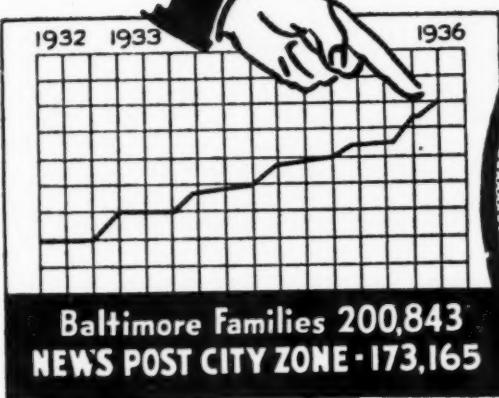
Being the sort of fellow who makes many friends—and keeps them—and since he formerly lived in several other cities, part of Bill Goodell's problem was to adapt his direct mail program to keeping in touch with friends (and insurance prospects) in other parts of the country, as well as with those in Louisville.

His answer to this was a small single-sheet, tabloid newspaper—"The Tiny Times"—which he sends four to six times a year to a list that now bears more than 700 names in 50 cities and two foreign countries.

Does all this contact with friends, prospects and customers with a sys-



Bill Goodell's first letter usually carries a small picture of himself. It is a get-acquainted letter, which accomplishes little more than an introduction. Subsequent letters build up his insurance sales story and deliver a copy of his personal house organ, "The Tiny Times." You'll find some of the letters quoted in the article.



*Add Another Gain  
to this 4 out of 5 Coverage*

Circulation figures for 6 months ending March 31st, 1936, just issued, show another gain in NEWS-POST popularity. More Home Delivered—more City Zone—more Trading Zone—more Total Circulation—than the previous six months, and more of each kind by far than any other Baltimore Evening Paper

*Total Circulation Now*

**204,842**

(Publisher's Statement, six months ending March 31, 1936)

# BALTIMORE NEWS POST

*Baltimore's Family Newspaper*

*Represented Nationally by*

HEARST INTERNATIONAL ADVERTISING SERVICE  
RODNEY E. BOONE, General Manager

On Sundays

The Baltimore American is up, too. Total circulation for six months ending March 31st, 1936—233,317—the greatest in all the South.

matic direct mail program pay dividends? Does it succeed. Is it worth the expense and effort involved?

As this is written, Bill Goodell is sixth among some 1,500 agents of the Equitable Life of Iowa in the United States, besides having a rather large line of surplus brokerage business in other companies. In a single month recently he sold \$29,500 of insurance on applications submitted by mail from six cities other than Louisville, including one from Humacao, Puerto Rico.

It is a rare month when he does not receive at least one application by mail from a distant city and about 20% of his total business is now of this type, and at least 90% of his business comes from prospects whom he has cultivated by mail before talking life insurance to them personally.

In his home city he has won recognition in several fields, partly as a result of making himself well known by sound direct mail methods. He organized and was the first president of the Louisville Junior Chamber of Commerce.

In 1933 he was given the "Distinguished Service" award for the outstanding civic service to the community for that year rendered by any man under 35. He was elected president of his local Kiwanis Club nine months after joining and is now Lieutenant Governor of Kiwanis in his district.

So Bill believes that mail advertising—properly followed up, of course—is truly profitable. He isn't quite a "million-a-year" producer yet, but he intends to get there soon with the help of direct mail.

He is still under 35 (slightly) and has yet to drink his first mint julep (doubt it or not). He says he may yet get around to drinking it. Meanwhile, however, he will gladly buy you one, but he'll send you a letter about it first!

We are reproducing below a number of Bill Goodell's letters:

### Letter No. 1

You're going to like living here in Louisville. I moved here a few years ago myself—1929 to be exact, and I'm sold on this city.

Louisville is the most important industrial city in the South. The total amount of wages paid by Louisville industries in 1934 was almost *twice* as much as that paid by any other Southern city.

But with all of its industrial and commercial interests, Louisville hasn't lost a bit of the cordial hospitality which has won the hearts of visitors and newcomers for decades.

You'll find a spirit of genuine helpfulness here. And, if I may, I'd like to be helpful, too. I have no reason to believe that you are interested in any life insurance right now, but there may be some other matters with which I can help you. At least, I'd like to meet you personally

so I'll stop in for just a minute as soon as possible.

Until then here's to you with a hearty Welcome.

### Letter No. 2

I appreciated the visit I had with you the other day very much. I hope you will really feel free to call me if there is anything I can do. You may need help in selecting a dentist, doctor, laundryman or what not. I hope though you'll let me be your life insurance man.

I'm going to send you the *Tiny Times* from now on, and mark your subscription on my records as "Paid in Full." The subscription price is your good will, and I know you will contribute that.

I'm enclosing a budget book with some daily sheets. When you need more just call and I'll send them to you. You will find the charts interesting whether you care to keep the record or not.

Here's to you with lots of the very best, and please call me if I can help in any way.

### Letter No. 3

Did you ever hear about the Negro parson who was preaching on the topic "The Lord Will Provide"?

It was raining, and his ponderous voice rang out above the downpour: "Brothers, do you hear dat rain above yo' haid? May de Lawd be ma witness, dat it's rainin' biskits on dis house dis night."

Then he told them how the rain had broken the drought and would make their crops grow. That may seem like a very simple philosophy, but I never hear rain on the roof that I do not think of that sentence, "It's rainin' biskits on dis house dis night."

Why do I tell you this story? Simply for this reason: I do a service for people that is woefully misconceived. Men say that I sell "life insurance." I do sell a great deal of it; but I sometimes think that if I had the eloquence of the Negro parson I could make men see that it isn't life insurance that I sell—it's "biskits."

It's food, and clothing, and shelter, and education, and happiness for the women and children whom a man loves more than himself, and who look to him for protection.

The great financial institution which I serve will make a very reasonable agreement with you. If you will place in our keeping a small part of your earnings each year—just a few cents a day—we will put it in a fund with the deposits of several thousand other men like you, and if you die and leave your family behind, we will provide them with food, clothing, shelter, and the other things that it is your greatest joy to provide for them while you live.

Surely this is worth a man's thinking about.

### Letter No. 4

Hold everything and above all hold the baby. Congratulations.

Listen

Don't be rushed into buying insurance for the baby—I don't particularly recommend it for babies and I'll tell you why when I call in a few days.

If you want some, however, I've got the best there is—a 1935 model Juvenile policy. Understand

I'll be seeing you in a few days.

P. S.—In the meantime here's hoping you don't lose too much sleep.

### Letter No. 5

On an investment of \$17.50 per month could you make \$9,307 over and above a return of 5% net, compound?

For the first time in history Legal Reserve Life Insurance Companies now offer a *pure investment*. There is no insurance attached; every dollar goes into an investment for yourself; and it builds income faster than any investment plan now available. (That's where the \$9,307 comes in.) For your information and satisfaction you will want to investigate this new and unique plan of accumulation.

In ten minutes I can give you the headlines—enough for you to tell whether or not you want to hear the details. Call me at Jackson 7295.



Judges Afloat: Meeting aboard the S.S. *Paris* these contest judges awarded cash prizes to Studebaker Motor dealers overseas for originality and thoroughness of local campaigns introducing new models. They are, left to right, George F. Bauer, export manager, Automobile Manufacturers' Association; George E. Quisenberry, editor *American Automobile*; J. E. Sitterly, publisher, *Importers Guide*; Franklin Johnston, publisher, *American Exporter*; Ed Clark, of Roche, Williams & Cunningham ad agency; Arvid L. Frank, president, Studebaker Export Corporation; and Howard S. Welch, chief of Automotive Division, Bureau of Foreign and Domestic Commerce.

# The Free Flow of Merchandise

## Is the Thing That Makes Any Market Worth While

If you say, "How is business?" to the sales-manager of any great manufacturing concern, he will probably look at his map of the United States and answer something like this:

"Omaha's good. Kansas City is fair. Cleveland not so hot." Or it may be Buffalo, Detroit, and San Francisco.

The point is that, while he is looking at the United States, he is thinking of the particular condition of his own business in "central spots", and knowing that as a rule the "territory" surrounding these central spots will be about the same.

But what his mind is considering all the time is the number of spots where he is getting a free flow of merchandise; where whatever he is making is going out to his distributor or his factory branch in certain profitable quantities week after week and month after month; where his branch or his distributor is "feeding" that merchandise to the retailers in steady, even streams; and where the consumers in that territory are taking that merchandise from the retailers' shelves or floors in the same even, steady streams, and *liking* what they get.

In other "spots" which are "not so hot", as he would express it, the flow of his merchandise is sluggish, he is never sure when his next order is coming in, his distributor or branch does not seem to be able to move its stock with regularity, his stuff is clogging up on the retailers' shelves or floors; the consumers are not buying freely. And that means trouble. Trouble of every kind.

So what every sales-manager is looking for is an increasing amount of territory where he is getting a free flow of merchandise.

★ ★ ★ ★

And, of course, that is what publishers are really striving for in the magazine field, a free flow of their merchandise which is — their circulation. Because such free flowing circulation is more profitable to the publisher, to the advertiser, to everyone concerned.

Therefore, it is important to realize that in the magazine publishing field, Macfadden publications have the largest free flow of merchandise (voluntary\* circulation) that has ever been reached in this country or any other. *Nothing else like it has ever been known before.*

Put into dollars instead of copies and applied to newsstands alone, it is even more startling. Each year the public lays down on the newsstand counters of America almost as much for the Macfadden magazines as it does for three other of the largest publishing houses combined.

\*Voluntary circulation is the number of copies of a magazine that people will buy, issue by issue, if left to their own devices.

The figures are as follows:

|                              | Newsstand Purchases<br>(Dollars) |
|------------------------------|----------------------------------|
| Macfadden Publications, Inc. | \$8,851,783                      |
| Publisher "B" . . . . .      | 3,950,583                        |
| Publisher "C" . . . . .      | 3,659,791                        |
| Publisher "D" . . . . .      | 2,998,828                        |

★ ★ ★ ★

*It must be all too evident from the above figures that no other magazine publisher could afford to rest his case, for a single week or a single month, upon that same free flow of magazine circulation which Macfadden publications have been able to count on week after week and month after month for years. That tremendous difference must be made up in other ways.*

Week after week Liberty Magazine feeds nearly three million copies through its hundreds of thousands of channels of distribution, and nearly ninety per cent of this is "free flowing merchandise". Bought by the single copy from week to week, without kick-back and without regurgitation, simply because people want it that week. And this has been going on for years.

Nearly every month True Story Magazine feeds out over two million four hundred thousand copies through these same channels of distribution, and again nearly ninety per cent of it is "free flowing merchandise". A magazine that is bought from month to month by people who come up and ask for it by name.

Nearly every month the Macfadden Women's Group feed out over two million seven hundred thousand copies of their magazines through these same channels of distribution, and again over ninety per cent is "free flowing merchandise".

And every central spot in America, together with all of the surrounding territory, is getting this free flow of Macfadden circulation.

★ ★ ★ ★

Now, if it is not hard to interpret the greater value of free flowing merchandise in the products field, it certainly is not hard to interpret its value in the magazine field.

First, free flowing circulation always goes where people are spending money. The current purchase of magazines certainly does not precede the purchases of the necessities of life.

Next, in the circulation field it very definitely means the more immediate use of a publication. It is very hard to conceive of a person stepping up to a newsstand and buying a Liberty or a True Story or a Women's Group Magazine with the idea of reading it at some indefinite future time, as he very well might do if he subscribed to it for a year or for three years.

*It is a safe assumption, therefore, that any magazine that is bought by the issue is read at the time. And it is equally safe to assume that an immediate reading automatically implies immediate response. We find it so in letters and manuscripts that come to our editorial department, just as you advertisers have found it so in the returns that come to your own advertising departments.*

It is not by chance, therefore, that advertisers using Macfadden publications are constantly referring to their immediate responsiveness. *It couldn't very well be otherwise.*

And this is one of the greatest and most satisfying values of the Macfadden Volume Market.

## Ingersoll Creates New "Kelton" Watch Line at \$4.95-\$5.95; Broadens Advertising Program

THE Ingersoll-Waterbury Company is announcing a new line of gold-top watches in the low-priced field to be known as the Kelton line, with watches retailing at \$4.95 and \$5.95. Back of this move is what one might call a reverse tribute to the power of advertising.

For more than 20 years, after the introduction of the Ingersoll watch, it was advertised as "The watch that made the dollar famous"—and it was an excellent slogan. The first trouble came with the tremendous rise in labor and material costs during the World War. No longer was it possible to manufacture and sell a watch of Ingersoll standards for one dollar. The price had to be raised, but the very popularity of the slogan made the move a difficult one. The situation is only slightly different today: Ingersoll's value as a trade name is strong and positive only for watches retailing under five dollars.

The company has not only broadened its line through adding the Kelton brand name for its higher-priced models, but it has also introduced several novelties this season, including a thin "Lapel" watch and a "Compact" model which is designed for carrying in a lady's handbag or for use as a desk watch. The Ingersoll name is also brought into competition with the Waterbury trade mark through the company's reentering the alarm clock field with the introduction of three models ranging in price from \$1.25 to \$2.25.

This year Ingersoll is not only broadening its line but is also broadening its advertising program. For several years the company has not advertised in any consumer magazine other than the *Saturday Evening Post*, but the Spring campaign is breaking in the *Saturday Evening Post*, *Liberty*, *Successful Farming*, *Progressive Farmer*, *American Boy*, *Boys' Life* and *Current Events*. The company is also releasing a trade paper campaign which will include a maximum of a half-page in practically all of the drug, hardware and jewelry trade papers. This campaign will begin early next

month to support a special sales campaign on the Aero wrist watch and the Yankee pocket watch.

One of the depression lessons learned by the company is that their products sell far better when properly displayed. An increasingly larger proportion of the sales promotion dollar is being given over to store dis-

plays on the theory that dealers' space is limited and that to get the widespread distribution that they seek in all types of outlets it is necessary to furnish several types of displays.

This year approximately 1,000 large motion and light displays have been prepared in key outlets throughout the country. Several thousand replicas of this display, approximately 17" x 17", embodying the light and motion feature, are also made available to dealers who will order a minimum amount of the four models illustrated on the display. In addition, each dealer receives four individual window or counter cards so that he could devote an entire show window to Ingersolls.



Swank Comes to Ingersoll: (Top) This folding box display can be set up quickly to provide an appropriate background for the new and decorative "Lapel" watch; (below, left) "Compact" is designed primarily for carrying in a woman's handbag; (right) One of the wrist-watches in the lower-price Ingersoll line.

# "In the News" means "In Demand"



## Sales Benefit through News Value of 'BAKELITE'

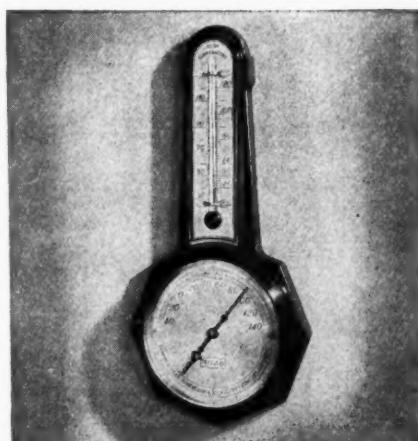
IN MAGAZINES and newspapers; in business and class papers one constantly reads of new products whose high quality is expressed in the words "Made of Bakelite Material". Editors of all types of publications are more likely to accept news releases when the quality of a product is established by the use of Bakelite Materials.

Both layman and the professional man recognize the significance of the Bakelite trade-mark in connection with all types of products. It inspires confidence in any article for which it is used. Sales benefit be-

cause, in the minds of the trade and the public, it suggests superiority.

All this is a "plus" value gained by the users of Bakelite Materials. In addition these materials assure improved appearance, quality and performance, and usually production and assembly economies as well.

Bakelite Materials are of many types, including molded, laminated, cement, varnish, lacquers, and others. To learn more about them, and how they may benefit your own products, write for illustrated booklets 26M, "Bakelite Molded" and 26L, "Bakelite Laminated."



*Moto Meter Gauge & Equip. Corp. thermometer with Bakelite Molded case.*

BAKELITE CORPORATION, 247 PARK AVENUE, NEW YORK, N.Y.  
BAKELITE CORPORATION OF CANADA, LIMITED, 163 Dufferin Street, Toronto, Ontario, Canada

# BAKELITE

The registered trade marks shown above distinguish materials manufactured by Bakelite Corporation. Under the capital "B" is the infinity symbol.

THE MATERIAL OF A THOUSAND USES

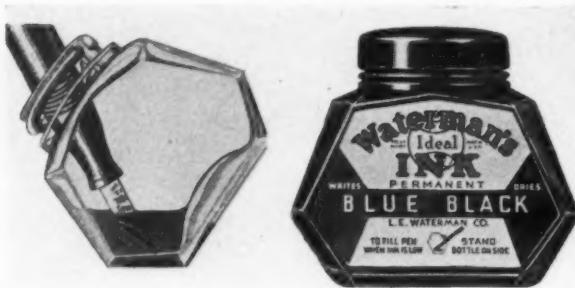
APRIL 20, 1936

[637]



Modern Farm Home: (Left) Farm living rooms emerge from the horseshoe sofa and antimacassar style of decoration. As cheerfully livable as any city apartment is the room illustrated. It was designed for *Successful Farming Magazine* by Montgomery Ward. The furniture includes a Chippendale sofa and chair, two modern lounge chairs, eight-piece fireplace set, specially selected wallpaper, etc. All the items are chosen for harmony, effect and appropriateness for the average farm house at a price within reach of prosperous rural families.

Tip-Fill: (Below) Turn Waterman's newest ink bottle on its side to get the last drops without spilling. Retailing for 10 cents, the bottle will be promoted in all L. E. Waterman Co. pen magazine ads this Spring and Fall.



Exercycle: (Below) Pedals revolve, the seat and handlebars rise and fall, and "every muscle of the body is brought into play" with this combination bicycle and mechanical horse. Speed may be regulated. Maker is Marlowe Products, Inc. Distributed by Exercise Equipment, Inc. Retail price: \$182.50.

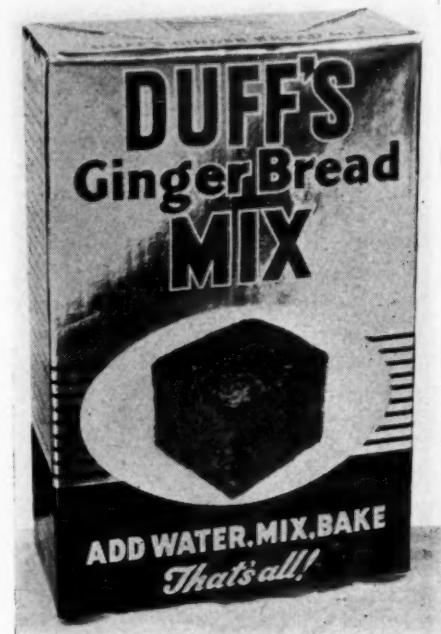


Step Forward: (Above) At left is the type of box used by all pressure gauge makers for the past 75 years. At right is Jas. P. Marsh Corp.'s rejuvenated package. Shellacked for easy cleaning on a mill supply jobber's shelf, the new package also reflects the product's ruggedness and accuracy.

Metal Wrapped: (Right) P. Duff & Sons, Inc., are using a metal foil package, tightly sealed and wax-paper lined, to give Ginger Mix the equivalent of tin can protection against moisture, insects, and loss of power of the leavening agent. The package has a green, white and brown wrapper on a silver background; stacks closely on a shelf; makes a strong eye-appeal.



Looks Bigger: (Above) General Foods extends the red color on Swans Down cake flour package all the way around the box, (left) and increases the "optical size." Premiums, larger ad schedule, counter displays that tie-in with related foods are expected to help boost sales.



## DESIGNING TO SELL



**GOLD MEDAL WINNER**  
in the metal container group  
of Modern Packaging's All-  
America Package Competition  
of 1935. Designed by  
P. Ballantine & Sons. Man-  
ufactured by the American  
Can Company.

## VOTED THE OUTSTANDING METAL CONTAINERS FOR 1935

The can for beer and ale\*—an utterly new concept in brewery packaging, originated by the American Can Company—has created news in beer merchandising. Now it is creating news in beer container design.

\*"Keglined"—the trade-mark of the American Can Company for its beer cans.

P. Ballantine & Sons of Newark, New Jersey, have seen in this flat-top, hermetically-sealed beer and ale can, new opportunities for sales appeal, resulting in these strikingly handsome containers.

**AMERICAN CAN COMPANY**  
230 PARK AVENUE, NEW YORK CITY

# Brown-Forman Takes a Tip from Food Products: Zoned Markets

**T**O many observers whisky selling since Repeal has seemed a vast confusion. It is likely that few people realize the outstanding job of business organization, marketing, and merchandising accomplished by a half-dozen leading American distillers.

As far as distillery marketing methods are concerned the whisky industry that sprang into volume at Repeal is an entirely new industry. Before Prohibition distillers sold most of their whisky in barrels to rectifiers, retailers, or consumers. Post-repeal laws legalized sales to retailers or individuals of bottled goods only. A bulk goods business became a packaged goods business at the stroke of a pen.

In the race to sell whisky on this new basis, distillers started from scratch. There were no sales organizations; there were no jobbers; there were no retailers. Only the market existed. There was public demand for whisky, but, through the mis-education of bootlegging days, even this demand was distorted. During 12 years of Prohibition the public's taste had been so ruined that general appreciation of—and demand for—real old-time quality whiskies might be a year or so in developing—however certain it was to come.

## Ducking Boomerang Dangers

The stock of good whisky held by Brown-Forman, and other distillers licensed to produce medicinal whisky during Prohibition, was not adequate to meet the demand. And supplying inferior whisky under distillers' labels, while immediately profitable, might prove a boomerang.

Additional confusion was caused by the difference in state laws regulating liquor sales. Under the new laws some states monopolized both wholesale and retail operations. Some monopolized wholesale distribution and established systems of state retail stores, yet permitted sales by private package agencies or by-the-drink places. One state, Wyoming, monopolized the wholesale liquor business, permitting private licensees the sale for both on- and off-premise consumption. In states allowing private wholesale and retail operation, some permitted sale by the package only; some prohibited sale by package and by drink in the same outlet; and some allowed

Into the maze of price-cutting, legal restrictions, brand confusion and other pangs attending the re-birth of the liquor industry stepped Brown-Forman Distillery Co. By adapting a zone selling plan modeled on that of grocery items, it avoided penny wisdom and pound foolishness.

full latitude. A few states allowed no sales promotional work and no advertising.

These were special problems. But when they were analyzed and evaluated the fundamental problems of all manufacturing and merchandising still remained—how to make a product good enough to build steady trade composed of repeat customers, and to make a stable market for a product at prices, in volumes, and at costs that produced profits.



Sales Manager Smith . . . thought liquor should be sold like any other food.

BY  
VERTNER D. SMITH

General Sales Manager  
Brown-Forman Distillery Co.

At Brown-Forman our products—almost entirely Kentucky straight whiskies made from old-time formulas—had won wide acceptance before Prohibition—and we felt that they were right in quality to build permanent demand. Our problem was to develop the most resultful low-cost merchandising methods for our stock of good whiskies. Low-cost marketing was necessary for us. For the ingredient cost of straight whiskies made from our formulas is high, and our distilling and aging methods expensive.

Consequently, under the direction of Owsley Brown, president, and C. M. Doiseau, executive vice-president, we decided to concentrate for the time being behind one popularly priced brand, Bottoms Up, directed at the volume and quality market, and to put Bottoms Up in a strong competitive position wherever whisky was sold.

## "Bottoms Up" Breaks Away

When we named a whisky Bottoms Up we started something. This name was selected after a long and careful consideration by our executive and sales organization and after consultation with our advertising agency, Ruthrauff & Ryan, Inc. It represented a complete departure from tradition as other brands up until that time were named, generally, after families, places, or picturesque people.

We decided on this one brand policy at a time when brands were appearing literally by hundreds. We felt that few could be permanent; that the expense would be disastrous to distillers; that the cost of stocking so many would make retailing unnecessarily hazardous and unprofitable; and that, as many of these early brands disappeared as promotional items, the expense in dead stock to the trade would be considerable.

We put our limited supply of Brown-Forman premium priced bonded whisky, Old Forester, in the markets and places where its prestige would do us most good. Because of Old Forester's pre-war position this was easily and quickly done. At the same time we began a program of zone marketing of Bottoms Up almost like that used in the development of most branded food products, but states, rather than wholesale distribution territories, were the zones used.



# Only one way TO ENTER THE NEW HOMES ... IN THE JOURNAL PART OF NEW YORK

ONLY one way to introduce Your Product to ALL of the brides and grooms . . . new families in America's greatest market-place.

SOME few may be reached by other means, but there is only one way to reach ALL. For there is one thing, and only one, which ALL of them have in common . . . and that is their preference for the New York Evening Journal.

They were brought up on the Journal . . . its comics, its features, its way of handling news, its wealth of photographic illustrations.

They and their kindred in 680,000 good homes are THE JOURNAL PART OF NEW YORK. A group which is separate and distinct from any other. And this you know to be true. For they prefer the Journal . . . and no other New York paper is like the Journal!

Their patronage can well mean the difference between profit and loss to any manufacturer. To secure and hold this patronage, there is Only One Way . . . THE JOURNAL.

## NEW YORK EVENING JOURNAL

NATIONALLY REPRESENTED BY HEARST INTERNATIONAL ADVERTISING SERVICE, RODNEY E. BOONE, GENERAL MANAGER

APRIL 20, 1936



This zone method had many obvious advantages. As each state was considered and handled individually, time-wasting and costly confusion was minimized. We could analyze each market in terms of its legal situation, and interpret its requirements and sales possibilities in the light of Brown-Forman's long experience in whisky marketing. We could set definite sales quotas, with assurance that these quotas would be reached or exceeded. And we could build our promotion in terms of legal and competitive conditions as we found them.

So in each zone the marketing method was adjusted to the legal set-up and the competitive situation—but certain fundamentals obtained. In spite of a barrage of competitive brands, we stuck closely to the brand we intended to merchandise permanently. In spite of the price cutters, we maintained prices rigidly. We never believed in the expensive luxury of advertising before distribution, but once satisfactory distribution was secured we backed our whisky with an effective quota of hard selling newspaper advertisements written frequently in terms of specific markets. State store markets were handled in exactly the same way, subject to their legal differences.

#### All Set in 90 Days

In this way Bottoms Up was established in 90 days in principal markets from coast to coast at what we believe to be as low a marketing cost as can be found in the industry, and was advertised in all states accepting liquor copy. In several of the most important markets Bottoms Up ranked from first to fourth in sales within the first year.

Following this successful introduction, a few other brands were listed for certain state store markets. As these were definitely aimed at known demands for certain kinds of straight whisky in individual markets, cost was very low.

This Fall the same proved, efficient and economical zone development method was put behind another Brown-Forman brand—King of Kentucky—now well on its way to national sale. This Winter a third Brown-Forman whisky was introduced the same way, and by Spring will be well established in all principal markets—two-year-old Early Times.

Among Brown-Forman's policies in dealing with wholesalers in open markets, the policy of reasonable protection against mark-downs is worthy of note as another example of approved practice in leading package goods com-

panies. Brown-Forman calls it the "Fair Play" policy. Although whisky is not perishable, not subject to seasonal style changes, the steadily advancing age at which volume selling brands are bottled, and the steadily decreasing price, produce a situation in which the trade could conceivably incur sizable mark-downs. Brown-Forman's policy of restricting brand's and advertising steadily in terms of the local market has maintained stocks on a turnover basis and promoted them through the trade to consumers until liquidated.

Brown-Forman recognized the same responsibility of moving goods through the retailer at a profit in the same way. As the brand confusion in liquor outlets is clarified, this policy is beginning to bear fruit. State stores and independent liquor dealers in open markets are faced with the problem of concentration on the faster-moving brands, balancing stocks and

speeding up turnover.

They are listening to the resale story Brown-Forman salesmen have told from the beginning: "Put your investment in the products of well-known distillers with quality reputations who advertise to move the goods right in your market." Brown-Forman salesmen believe that stocking the dealer within reasonable limits with the advertised products of a leading distiller is the dealers' best profit insurance.

Although Brown-Forman has been building with an eye to the future in promoting a restricted number of permanent brands, we are still proud of our prominent position in the industry based on gallonage figures—well up among the first ten. And we believe that in Old Forester, advertised in 34 markets, against the day when it will be generally available in adequate quantities, we have the greatest potential sale-and-profit-maker for the years to come.

## Kool-Aid Turns on Ad Heat as Thirsty Summer Days Approach

PERKINS PRODUCTS CO., of Chicago, broke all sales records in March and has continued to break them in April on advertising which will start in June. Such a statement, on the face of it, may sound a bit impossible, so this explanation—

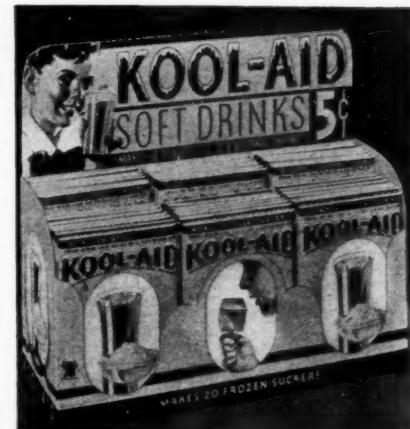
The Perkins company manufactures "Kool-Aid," a fruit-flavored Summer drink sold in powdered form. The business was started in Hastings, Nebraska, nine years ago by E. E. Perkins, who for years had operated a mail order house. One of his fastest moving Summer items was a liquid fruit flavor in bottles.

He asked himself, "Why ship bottles, water and sugar around the country? Can't we do the same job with a powder put up in paper?"

Chemists were put to work on the idea and "Kool-Aid" resulted. It was the first of its kind. Since then various other concerns have grabbed the idea.

Five years ago the company moved to Chicago to be closer to source of supply and to take advantage of better shipping conditions. It was then "out front" in its line and has maintained its position through intensified advertising and promotional campaigns.

Two years were spent in testing various advertising mediums after entering Chicago and the coming campaign, by far the biggest it has ever attempted, is the result. The big crash



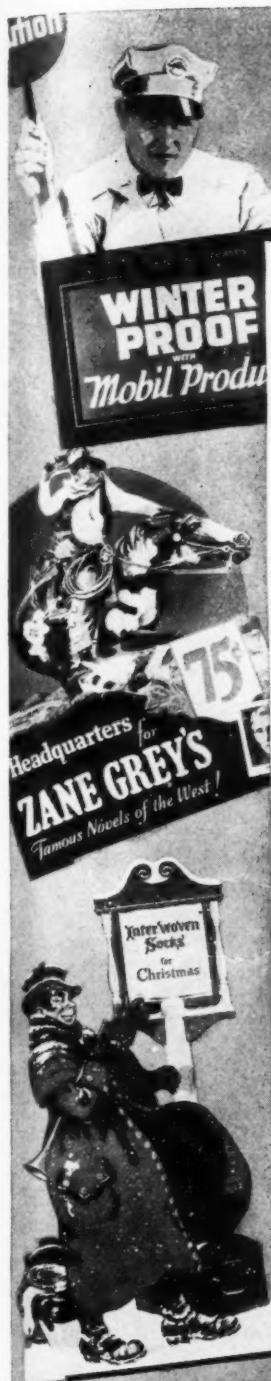
This colorful counter display tempts the shopper to reach for a package

of the coming warm weather season will be a full-page four-color advertisement in the issue of *Ladies' Home Journal* which goes on the stands on June 10.

This advertisement will carry a coupon into 2,500,000 homes. Each coupon will be good for a full-sized package of Kool-Aid, value five cents, at any retailer's. To earn the cooperation of the retailer the company will redeem each coupon, through the wholesaler or jobber, at its full cash value.

In other words, the retailer takes his full profit on every sample given away. Probably it is the biggest nation-wide full-sized package sampling

(Continued on page 652)



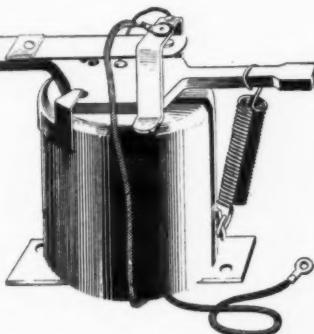
## ACTION IN DISPLAYS GETS ACTION FROM CUSTOMERS

TIME WAS when motion in a display was expensive and difficult to handle. The mechanism went out of order; dealers turned off the display to cut light bills—or sent their light bills to the manufacturer to pay. THE "EVEREADY" VIBRO MOTOR ELIMINATES ALL THAT. It runs an average of four weeks or more on two Eveready No. 6 Dry Cells. The cost of the motor is extremely low. One large, elaborate display recently cost the manufacturer only \$2.75 complete, *delivered* at the store. There's nothing to plug in, nothing to tinker with . . . all the dealer need do is tap the display into motion.

### THE "EVEREADY" VIBRO MOTOR

provides fool-proof—economical action

National Carbon Co., Inc., does not manufacture displays. We supply "Eveready" Vibro Motor and Batteries to lithographers and display manufacturers.



### SEND FOR SPECIAL FOLDER

Please send me folder, "Action in Display," which gives full information on action displays. National Carbon Company, Inc., P. O. Box 600, Grand Central Station, New York, N. Y.

NAME .....

ADDRESS .....

SM-37

Unit of Union Carbide **UCC** and Carbon Corporation



At a recent luncheon of the International Association of Sales Executives at the Biltmore Hotel, New York, this trio were among the speakers. Left to right: Thos. J. Watson, president of International Business Machines Corp.; E. A. Filene, president, William Filene's Sons Co.; and Allen Zoll, Association president, who presided.

## Marketing Flashes

[New Products—New Jobs—Sales Strategy—Promotions  
—Waters-Genter, Canco Cast Bread Upon the Water]

### Salesmaster

Waters-Genter division of McGraw Electric Co. is giving its 5,000 Toastmaster distributors and salesmen a manual called "The Salesmaster." Prepared by the Business Training Corp., the manual is based on the most successful methods of jobbers and salesmen in wholesale selling of *all* electrical supplies and appliances to retailers.

"Before a word of it was put on paper," explains W-G Sales Manager K. C. Gifford, "months were spent in the field accompanying salesmen on their calls, talking to retailers, interviewing jobbers. . . . Out of that field survey have come . . . principles and ideas both simple and practical. Every idea or method recommended has been tested in the fire of experience."

Of 140 pages, pocket-size, the Salesmaster's chapters include "Specialties, the key to the account; Overcoming objections; When the dealer is busy; When your customer makes a complaint," with specific examples of the right and wrong ways of handling difficult situations.

The Toastmaster company is considering making the manual available to distributors other than its own at a slight cost. If this guide duplicates the popularity of a previous one for retail salespeople there should be a heavy demand. Over 20,000 retail clerks snapped up the other one. Waters-Genter has been astute in not confining the sales helps to its own products, for increased volume in every

line of electrical wares results in enormous good will—and indirectly in sales—for W-G.

### Frigidairians

Frigidaire Corp. appoints Roy E. Smithson mgr. commercial products sales division. He has been with the company, and its predecessors, for nearly 20 years.

Lowell McCutcheon to be mgr. wholesale division. He, likewise, is a veteran Frigidairian, coming up through the sales ranks in New York City to be g.s.m. there. Then in 1932 he was transferred to Dayton as commercial s.m.; next to Chicago as district mgr.; and so back to Dayton as mgr. of railway sales.

Virgil Hetzel to be national mgr. of installation and service. He has been with General Motors for 17 years, 11 years with Frigidaire.

### Chux

Maternity hospitals have been using them for three years, but not until the June magazines blossom on newsstands will Mrs. Consumer be able to buy Johnson & Johnson's Chux, disposable diapers.

"Chux," say Ferry-Hanly, J & J's ad agency, "are an ingeniously processed combination of soft, absorbent hospital gauze and cellulose, with a waterproof paper back. They pin in the usual manner. They are thrown away after one using."

Production to supply hospital de-

mand is in the millions. Only recently has J & J increased manufacturing facilities to the point where Chux could be made available to the public through drug and department stores. The diapers come in two sizes, with 25 in the large size package, 50 in the smaller size. Both fetch \$1.25.

About ten women's magazines, all the important medical journals, and five trade papers are scheduled to carry the tidings of great joy: "No more diaper washing."

### Globe-Girdling Conference

There are probably no General Electric representatives in Omsk, Papeete and Zanzibar. But if, by chance, there are GE-men in those far corners of the earth, they assuredly clustered around radio loudspeakers on March 30. (It might have been March 29 or 31 in Omsk.) Here in the U.S., however, from 11 A.M. to noon on the 30th a coast-to-coast NBC broadcast united all GE salesmen and dealers. The radio sales conference was transmitted to Omsk, etc., by short waves from stations W2XAF and W2XAD at Schenectady.

Gerard Swope, GE's president; C. E. Wilson, v.p., and General Sales Manager P. B. Zimmerman addressed the invisible audience. American members of the clan were gathered at 55 conventions throughout the country. For the gratification of outsiders who happened to be listening in and as a seasoning for the meat of sales talks, Richard Bonelli of the Metropolitan Opera, sang, and a 40-piece orchestra played.

Plymouth Motors and others have held similar meetings on a national scale. GE's international get-together is unique in the amount of the map it covered.

### Can Contest

No one is more interested in removing the sting from the phrase, "She cooks with a can opener," than American Can Co. Obviously that firm is a firm believer in the succulence, purity and healthfulness of foods in sealed tins. As one method of proving this to housewives, American is sponsoring a national canned foods recipe contest.

More than five million entry blanks are being distributed, which must be something of a record. About 35,000 grocery stores and women's clubs are putting the blanks into housewives' hands. Contestants must submit a four-course dinner menu with at least five recipes for canned items. Each semi-finalist from six sections of the country will prepare her meal at the

Annual Women's Exposition of Arts and Industries in New York's Grand Central Palace on May 25.

The winner will be proclaimed National Champ, get \$500. Other prizes range down to \$100. All semi-finalists win a three-day, all-expense-paid trip to the metropolis.

Canco is using six canning trade papers to tell the industry of its philanthropic contest. For Canco will profit only at long distance if cooks are induced thereby to eat more food from contented cans.

### Personal and Personnel

J. J. O'Neill heads Leonard Refrigerator's new merchandising division. With six field men he will train distributors' sales personnel directors, equipping them to enlist and educate retail salesmen for dealers. Mr. O'Neill was formerly mgr. of Leonard's department stores division.

James M. Degnan succeeds Fred E. Mengel, who has resigned, as s.m. of the Hill Diesel Engine Co., Lansing, Mich. Mr. Degnan has been with Worthington Pump and Machinery for the past ten years. For five years he was mgr. of the automotive division.

E. C. Whittemore joins Cosmos Chemical Corp., maker of "Sanovan," as s.m. He will also direct the ad program. Cosmos is moving its headquarters from New York to Boston. Mr. Whittemore was formerly s.m. of the Draper-Maynard Co., Plymouth, N. H.

Carew Manufacturing Co., South Hadley Falls, Mass., appoints J. Norman McDowell s.m. He's been with Carew since 1927. Before that with Fox River Paper Co., Appleton, Wis., and Windsor Locks Paper Mills, Windsor Locks, Conn.

Athel F. Denham, for many years with the Chilton Co., business paper publishers, has formed Denham and Co., in Detroit. The organization will lay out and execute complete market development programs. It will have the cooperation of a number of specialists in market analysis, development of sales plans, industrial and trade advertising, literature and sales helps, consumer research as applied to the industrial and trade fields, and publicity.

T. J. Duffy, who has represented Valentine & Co., paint firm, in New England since 1929 as a salesman, has been named New England s.m. His headquarters will be in Boston.

J. M. Walker, New York district mgr. of General Electric appliance and merchandise department, has resigned to accept the post of g.s.m. of Rex Cole, Inc., GE distributor.

# Business is GOOD in MARION, N. C.

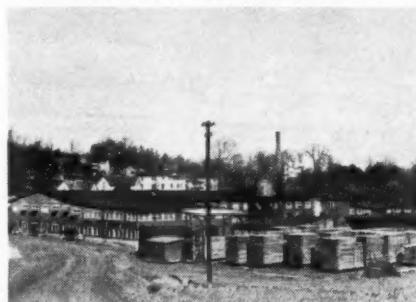
—typical of the 16,000 small towns where 500,000 families read GRIT every week



MAIN BUSINESS SECTION



1200 WORK IN THIS TEXTILE PLANT



FURNITURE FACTORIES EMPLOY 500



TYPICAL HOMES

Imagine a town of 2,467 population (503 families) with an annual payroll of \$1,300,000! That's Marion.

Cotton mills, textile plants, spinning mills and furniture factories provide steady employment for Marion's workers and for residents of surrounding villages as well. No wonder people in this town are well able to buy your product!

Every week GRIT sells 216 copies in Marion—the broadest coverage in this town provided by any national publication.

Marion is just one of the 16,000 thriving, able-to-buy small towns where your business will be better when you put GRIT on your advertising schedules.



# Roosevelt Will O.K. More Appropriations Only If Congress O.K.'s More Taxes

Washington, April 15.

**W**HILE the omnibus flood bill was slowing up last week, other measures seeking to stimulate reconstruction of the stricken areas went forward. The House passed H. R. 11968, which would permit the R. F. C. to make loans for reconstruction of buildings and equipment damaged by floods. At the same time the Senate Banking subcommittee recommended S. 4396 to the full committee. The latter amends the National Housing Act to insure building and repair loans (to 20%) on property damaged by floods.

As the Goldsborough measure (H. R. 11968) had passed the House and was already before the Senate committee, the contents of the Senate bill (S. 4396) were incorporated into the House measure and immediately reported to the floor. At this writing, the Ritter trial is the only legislative business impeding final enactment of the flood loan measure.

Senator Copeland, chairman of the Commerce committee, when queried about the vastly increased proportions of the omnibus flood appropriation measure (H. R. 8455) which threatened to reach \$1,000,000,000 last week, commented: "I'm sure the flood control measure will not be reported until after the Easter holidays. Perhaps the Senators \*[those seeking huge appropriations for their own states] will return from the holiday in a more pious mood."

## This Is Serious, Boys

The "pious mood" jocularly referred to by Copeland became a reality when the President returned. Roosevelt wrote a letter to Congressional leaders before he left on his fishing trip warning emphatically against further appropriations without preparation to increase taxation to tend toward a budget balance. The note was not made public. Washington newsmen know it was strong; no word mincing. Members of Congress know he meant it.

Thus, if appropriation measures continue to expand in typical election year fashion, the whole tax picture

may be affected.

The House completed hearings with a vehement denunciation of the new corporate surplus tax plan by the U. S. Chamber last Tuesday (April 8). The committee bill (House) should be ready before this goes to press. Senate hearings will have started also if the House draft is completed.

House debate will not be protracted. The Senate will bear the onus of the political ill-effects of the finally enacted measure. And, the chief reason for this rests in the probability of reinserting the House deleted processing or excise taxes.

Processing taxes are the outstanding Presidential weapon against the new generous appropriations, for both military and flood control. Consensus of rational observers here indicates that the Senate will vote excise taxes of some sort in committee. Even \$500,000,000 for flood control, coupled with earlier appropriation increases is expected to incite another demand from Roosevelt for an ample tax measure.

## How About Private Pensions?

Private corporate pension plans are emerging again as Class A-1 legislation of interest to business, particularly large manufacturing units who had old-age pension plans for their employes in operation before enactment of the Social Security Law. The Clark amendment to the Social Security bill, which was defeated by a close vote last year, has been revived in a new draft which is being considered by a special committee composed of members from both House and Senate. Many members of this committee were the conferees on Social Security in 1935.

The tentative draft submitted by experts for committee consideration provides generally for payment of payroll taxes to the government by all industries with operating old-age pension plans; the Social Security Board, in turn, to make repayment in the form of grants to those industries with acceptable plans.

Out of the welter of measures which daily fill the legislative hopper, one or two a month have tremendous, far-reaching implications. S. J. Res. 249 is such a resolution. While little may

be expected in the way of action at this Congress, the simple and direct phraseology of S. J. Res. 249 is worth noting at a time when the political tide seems to favor Mr. Roosevelt slightly and at a time when Mr. Roosevelt has virtually restated his complete beliefs in his broad social philosophy of government. This two-page bill, which is offered as an amendment to the Constitution by Mr. Benson of Minnesota, contains sweeping changes in one all-embracing paragraph.

## S. J. Res. 249

"The Congress shall have the power to regulate, limit, and prohibit the labor of persons under 18 years of age; to limit the worktime and establish minimum compensation of wage-earners in any or all occupations; to protect by law the right of all employes to organize and bargain collectively with their employers; to provide for relief of the aged, invalided, sick and unemployed in the form of periodical grants, pensions, benefits, compensations or indemnities from the public treasury; to establish, acquire and operate such natural resources, properties, and enterprises in manufacturing, mining, commerce, transportation, banking and public utilities as are essential to the social and economic welfare of the people, such enterprises to be governed democratically for the benefit of the public by commissions consisting of representatives of workers, consumers and technicians; and to legislate generally for the social and economic welfare of workers, farmers and consumers."

Here is an end to a "horse and buggy" constitution. Here is a little, unheralded bill which, in its 20-odd lines, encompasses the vision of a Roosevelt who asked for and got NRA, AAA, SEC, Guffey Coal, National Labor Relations, Social Security, Utility Holding company control and all the other cogs for a new social wheel.

It may be the vehicle for 1937 or '38 with which to go to the "people" and ask directly for the constitutional amendment so widely discussed after the NRA cataclysm. It is too curiously designed after the entire New Deal pattern to ignore. Watch it.

*Hank*

\* Words in brackets the author's.

# 1937

**IS JUST AROUND THE CORNER.**



*Speaking of Dates...  
make your date now for the*

**1936 CONVENTION**

ADVERTISING FEDERATION OF AMERICA

JUNE 28<sup>TH</sup> THRU JULY 2<sup>ND</sup>

AT BOSTON

**PLAN YOUR 1937 CALENDAR Now!**

Well conceived calendars that combine beauty of design and practical usefulness, possess many advertising advantages:

Valuable and unbuyable display space in homes and offices . . . assured display of your name and message for 365 days of the year . . . no space charge — wall space for calendars comes free . . . ready acceptance — the demand for good calendars far exceeds the supply.

Calendars are good will builders, on the job every hour of every day.



FOR CREATIVE CO-OPERATION consult **FORBES**

# FORBES

**LITHOGRAPH CO.**

P. O. BOX 513 • BOSTON

NEW YORK • PHILADELPHIA • ROCHESTER • CHICAGO • DETROIT • CLEVELAND



Fly United's "Main Line" Mid-Continent Route via Cleveland, Chicago, Omaha, Salt Lake. Overnight and scenic daylight flights to San Francisco.



See great Salt Lake and close-up of Boulder Dam. United offers you an optional routing—visit both Los Angeles and San Francisco for same fare.



Overnight, scenic daylight flights. The popular pioneer route. Visit Spokane, Seattle, Tacoma, Portland, Vancouver, B. C.—all at no extra fare.

*Ask about United's 6 time and money saving circle trips to Pacific Coast cities.*

#### NEW YORK—CHICAGO SERVICE

United offers fast, frequent service over the shortest route between NEW YORK, Cleveland, CHICAGO. 9 flights in each direction daily.

3-mile-a-minute planes on every flight, stewardesses, and United's famous service features.

For Tickets, Reservations—United Air Lines Ticket Offices, Travel Bureaus, Telegraph Offices

**United Air Lines**  
FASTEST, SHORTEST FROM THE EAST  
TO MOST PACIFIC COAST CITIES

## 4-Year Analysis Shows Changes in Brand Preferences in Milwaukee

**I**N 1935, 8.6% of all coffee-using families in Milwaukee bought Chase & Sanborn. In 1936 the total had jumped to 17%. During the same period Maxwell House's percentage of the market dropped from 11.4% to 6.6%. A year ago Chase & Sanborn had 13,414 families, today it has 27,618. Maxwell House families dropped from 17,781 to 10,722. The drop is even more pronounced if we go back to 1934 figures, which show 22,185 families in the Maxwell House fold.

The comparison above is one of the many fascinating changes in brand relationships which show up in the annual Consumer Analysis made by the Milwaukee Journal of the Greater Milwaukee market. This analysis has been compiled annually since 1922 except in 1932-33. The method used is to send out questionnaires to Greater Milwaukee housewives to insure a return from 6,700, or better than 3½% of all families in the area. The questionnaires ask 349 questions. The analysis is not a mail survey, for housewives personally bring the completed questionnaires to the Journal building. For her cooperation each housewife is presented with a large shopping bag filled with full-size and sample packages of well-known products.

#### Use of Canned Milk Up 50%

Great care is exercised to make sure that a true cross-section is secured and the Journal can prove that the lines of waiting housewives at the Consumer Analysis headquarters contain representatives from the wealthier residential districts in proportion to those from the less well to do districts.

An analysis of the product division shows many extraordinary changes in brand preferences, the growth of new product divisions, and a decline in old ones.

For example, the use of canned milk increased more than 50% during the period from 1930 to 1935. In 1931 Carnation had a rating of 55.9%; today it has 35.9%. In the same period Gehl jumped from 1 to 24%; Borden dropped from 10.6 to 4%, and Pet and Whitehouse stood absolutely still with 14.9% and 10.9% respectively.

In the field of bran breakfast foods, Kellogg's Pep dropped from 30.3 to 17.4%; Post Bran Flakes from 31.2

to 18.9%, while Kellogg's All-Bran gained from 39.4 to 43.2%.

One of the outstanding gains is the rise of Wheaties in the cold wheat breakfast food field. In 1931 it had 5.3% of the users; today it has 40.7%. Shredded Wheat and Quaker Puffed Wheat lost slightly in percentage during the same period but each made good increases in the families using it.

The 70,959 families (38% of the market) who use rice breakfast foods are making their selection from 17 brands. The outstanding switch since 1931 is the gain in Kellogg's Rice Krispies from 34.9 to 57.2%, a gain made possible by a drop in Heinz Rice Flakes from 31.7 to 7.9%.

#### Johnston Corners Cracker Sales

Five years ago 40.1% of all families buying miscellaneous breakfast foods were users of Quaker Crackels. The figure today is only 4.1%. In the same period Grape-Nuts' percentage dropped from 42.6 to 28.7%, but the number of families using it shows a slight increase.

Heinz and Hormel gradually are cutting down the Campbell dominance in the canned soup field with Campbell's percentage dropping from 95.3 to 83.6% in the five-year period.

Both National Biscuit and Loose-Wiles make a sorry showing in the package cracker market as compared with Johnston, whose crackers are used by 72.2% of all families using any type of soda cracker. National Biscuit has 16% and Loose-Wiles has 1.2%. In graham and both package and bulk cookies, Johnston's lead is even more pronounced.

Milwaukee votes for Campbell in pork and beans and tomato juice; Heinz in spaghetti, catsup and strained vegetables; Del Monte in canned peaches, pineapple and pineapple juice; Calumet in baking powder; Gold Medal in flour; Swans Down in cake flour; Domino in granulated sugar; Jack Frost in sugar cartons; Kraft in mayonnaise, and Jell-O in gelatin powder.

This year 61.5% of all Greater Milwaukee families are buying bottled beer for home needs. Miller is the outstanding favorite with 41.7%, followed by Blatz with 12.4%, Schlitz with 8.3%, Gettelman with 8.2%, and Pabst with 6.6%.

Since 1934 Lever Brothers' Lux has

taken the lead in the toilet soap division over its other product, Lifebuoy. Palmolive, Camay and Woodbury show gains, while Ivory users declined slightly.

In the drug and toilet goods field Coty's percentage has jumped from 22.5% in 1928 to 51.4% today, while Hudnut during the same period declined from 17 to 10.3%.

One of the outstanding findings in the survey is the decline in tooth paste and the rapid rise in tooth powder. In 1930, 95.9% of all Milwaukee families used tooth paste. Today the number is only 72.9%. In 1929 only 7% of the families used tooth powder, while today the figure is 46.3%. Dr. Lyon's has 54,901 family users in the market and the highest figure for any manufacturer of tooth paste is the 30,493 using Pepsodent.

The mouth washes also show a decline—from 78.3% of all families in 1930 to 59.2% in 1936.

## Arguments for and Against Buying for Employees

(Continued from page 630)

### III. Attitude of Retailers

- A. Fear of incurring the ill-will of the manufacturer and hence loss of sales.
- B. The retailer may feel forced to accept the plan because competing merchants do so.
- C. Particularly with reference to wholesalers, such plans may result in some additional volume of business at their usual margin with but little additional cost.
- D. Depending upon the plan, such arrangements may involve little or no credit risk. This is particularly true when the account is endorsed by the company, and in any event the amount of the credit can be controlled by the discretion of the merchant.
- E. The amount of the discount and the goods to which the discount is applicable are commonly controlled by the merchant.
- F. The hope of selling to employees other lines of merchandise not covered by items in the "discount list." May help to carry part of the merchant's overhead.

If the retailer hopes for more total business from the employee, then the discount is equivalent to a price cut on the items to which the discount is applicable. Such a price cut may

be partially justified in view of the lesser selling effort involved and partially justified further if credit is guaranteed. If the retailer looks upon the items sold at discount as "loss leaders" and if loss leaders are judged bad commercial practice, a question arises as to whether a manufacturer should encourage an uneconomic retail practice. The policy, on the other hand, may (depending upon the type of merchandise sold) enable the retailer, because of lower price and of company guarantee of credit, to sell something that he otherwise would not sell at all or to sell it sooner.

In general it may be said that a plan of employee purchasing should be initiated only after very mature deliberation and in full view of the

widespread nature of the effects. A great many companies have abandoned the practice of employee purchasing because of retailer opposition or because they have become convinced that the benefits are not commensurate with the costs—financial and otherwise. This statement applies more particularly to companies which have undertaken either to purchase or to arrange for the purchase of a wide diversity of merchandise not required in manufacturing. Where the products purchased by a company for its own use can be utilized for home purposes by its employees, sales to them at cost are general and doubtless justifiable.



YOUR  
*P*RODUCT

WILL GET A BETTER RECEPTION FROM  
"THE HUNDRED THOUSAND, PREFERRED"

The dynamic character of Harpers' editorial content attracts vigorous, influential people. Their opinion of your product, as well as their opinion on a public question, is important in their community. Other people follow them.

Readers of Harpers Magazine are more than just subscribers. They are friends of long standing, impressed and influenced by everything — text and advertisements — contained in its pages.

Here advertisers find ready acceptance — and a clientele worth-while.

Write for the report of the personal interviews made among subscribers of Harpers Magazine — it will show you why your product will get a better than average reception from them.

Remember, too, the advantages of Harpers Magazine's new page size — 7" x 10 $\frac{3}{8}$ " Bleed, 5 $\frac{1}{2}$ " x 8 $\frac{1}{2}$ " regular.

HARPER'S MAGAZINE  
49 East 33rd Street, New York, N. Y.



## MEDIA AND AGENCIES

### The Southwest's Finest Studio Takes Its Bow

Out in Oklahoma City there is an enterprising organization which includes within its fold a morning paper, an evening paper, a Sunday paper, a farm journal and two radio stations. It has a vision with respect to specialized marketing in a specialized area warranting widespread interest. Its properties include the *Daily Oklahoman*, the *Oklahoma City Times*, the *Farmer-Stockman* and Radio Station WKY—all of which are bent on serving the Oklahoma marketing area in a mutually cooperative manner. Whereas, in the broad field of advertising one finds considerable conflict between different types of media, here in Oklahoma one finds it difficult to distinguish between the interests, activities and enthusiasm of the principal executives, whether the immediate matter on deck relates to a newspaper, a magazine or a radio station. It is an illuminating picture, this one of blending media without prejudice in policy or practice.

Recently a reporter for SM had an opportunity to interview the principals of this unique multiple-enterprise and to observe at first hand its actual workings. At the time practically the entire organization was up to its neck in the activities incident to the opening of the new WKY studios, which are colorfully described as "the air castle of the Southwest." The official opening took place on Monday, April 13.

When the SM reporter arrived on the previous Saturday, President E. K. Gaylord was bubbling over with enthusiasm and interest not unlike that of a governor or president just prior to inauguration ceremonies. His associate, Edgar Bell, secretary and treasurer, and also executive vice-president of WKY in Oklahoma City and the organization's other radio station in Denver, was swamped in the official preparations for the gala opening. The advertising director of the newspapers, O. C. Brown, had gone north to bring back some of the distinguished invited guests. The advertising director of the *Farmer-Stockman*,

### Station WKY's Proud Housewarming . . . Business Papers' Social Register . . . Advertising Spot News

Ralph Miller, was busy escorting distinguished visitors through the new studio, and the manager of Station WKY, Gayle V. Grubb, was jumping around all over the place to get the physical quarters ready for the opening affair and at the same time keep all of the regular activities going forward full blast and on scheduled time.

In all, some 700 guests attended the opening dinner and even at that the demand from those who wanted to be present could not begin to be catered to. The guests included about everybody of business and social importance in the area and area served by the publications and radio station. In addition, specially invited leaders from the business, editorial and advertising world were on deck from such points as Baltimore, New York, Detroit and Chicago. To say that the opening was "done right" would be putting it mildly, but even a perfect description of the opening would fail to do justice to the new studios which rank among the finest in the country.

WKY started about 16 years ago as the spare-time hobby of one man, Earl C. Hull, who is now the chief engineer. It has now made itself, in large degree, the listening habit of an entire state.

The new studios occupy the whole fifth floor of the new annex to the Skirvin Tower Hotel. In addition, the acoustically treated ballroom on the third floor is available for use as an auditorium studio seating 1,200. The studios proper are of the most modern, floating, soundproof type, meaning that the walls, ceiling and floor are suspended, insulated and soundproof. Much good taste is manifested in the original decorative treatment which prevails not only in the studios but also in the reception rooms, offices, conference rooms, etc. The technical equipment in every detail likewise parallels the up-to-dateness and perfection of the furnishings. Unique in the latter is a Kilgen organ which is said to be the largest and most remarkable ever built for broadcasting.

In one part of the quarters is the home of Aunt Susan (see accompanying illustration). Aunt Susan is known as Okla-

homa's "Housewife-in-chief." She was given a free hand to plan and equip the most complete and modern kitchen her ingenuity could devise. She conducts actual demonstrations during her daily broadcasts in addition to a regular feature in the publications. The advance bookings for attendance at her demonstrations are so large that it will take months to cater to the people of Oklahoma who want to "sit in."

The opening of the new studio was heralded by a special 36-page supplement (including a full color cover) in the *Daily Oklahoman*. It included stories and pictures about the studio, pictures of the officials and articles by them and a large volume of tie-up and congratulatory advertising.

In chatting with the SM reporter, Mr. Gaylord, president, said: "Radio and television will be the eye and ear of the world. Before very long you will be able to see and hear great plays in the best theatres of the world and to see great events in all countries. We should all hope that radio, television and facsimile shall be the means of better acquaintance, more friendly understanding and great desire for peace among all the peoples of the world."

Those sentiments are typical of the vision and inspiration which characterize this unique organization located in Oklahoma City. When the reporter inquired whether such a magnificent studio indicated a coming increase in the power of the station, Mr. Gaylord replied in the negative and said that it was the desire of himself and his associates to serve by press and radio the natural area which is tributary to Oklahoma City and that they could not see much wisdom in any policy which would take the Oklahoma publications and radio station out of their natural and normal field and thereby dilute the quality and volume of service rendered within this important area.

### Business Paper Blue Book

The advertising value of a business magazine is so largely determined by its editorial quality that Associated Business Papers, Inc., trade association of about 130 principal publications in many fields—has issued a "Business Publications Blue Book for 1936" for the guidance of advertisers. This hefty volume, devoting two pages to every A.B.P. publication, sets forth succinctly the editorial scope and aims of each magazine together with brief business biographies of the principal editors. The "Blue Book," which is distributed to about 1,700 advertisers and advertising agencies, is the first volume of its kind ever issued. Future issues may appear annually.

### Tower to Dell

George T. Delacorte, Jr., publisher of the Dell Publications, has acquired all magazine titles, manuscripts and furniture which were formerly the property of Tower Magazines, Inc. The six magazine titles are: *New Movie*, *Tower Radio*, *Serenade*, *Home*, *Mystery*, and *Tiny Tower*.

### Cosmo's New Guarantee

Effective with the August, 1936, issue, *Cosmopolitan* announces an increase in circulation basis from 1,550,000 to 1,700,000 average net paid per month. The present circulation, according to John R. Buckley, is now in excess of that amount. In current promotion *Cosmo* adds a new note of differentiation with the following parenthetical phrase: "NEWSSTAND (No Boy Sales) GAINS."

SALES MANAGEMENT



"Aunt Susan's" model kitchen at the WKY studios

## Radio Moves

The biggest radio news of the month was the purchase by the Columbia Broadcasting System of station KNX in Hollywood, the only 50,000-watt clear-channel independent station in the country, and the station which handles more national spot accounts than any other independent. . . . In Boston CBS and NBC made some shifts. Columbia has tied up with WEEI, owned by the Edison Electric Co. WNAC, owned by John Shepard, 3rd, president of the Yankee Network, will rejoin the National Broadcasting Co. Red Network after 13 years. These changes will take place as soon as current commitments are worked out. As far as Columbia is concerned, it is believed that these moves represent a definite policy of shaking loose from affiliations with regional networks.

Theodore C. Streibert has been appointed vice-president of station WOR. Recently he was elected first vice-president of the Mutual Broadcasting System of which WOR is the New York key station and was re-elected to the Mutual board of directors.

John H. Bachem has been appointed eastern division sales manager of NBC, succeeding Donald S. Shaw, who has joined McCann-Erickson as assistant to the president.

Chick Allison has been made promotion manager of KMBC, Kansas City, coming to that station from the Skelly

Oil Co., where during the past three years he created and executed the promotional material used in connection with the popular program, "The Air Adventures of Jimmy Allen."

## Scripps-Howard Changes

Charles L. Nicholson, for five and one-half years advertising manager and advertising director of the Washington *Daily News*, has been made business manager of the *Oklahoma News*, and John H. Payne, recently in that post, has been made business manager of the *Houston Press*. Ralph D. Henderson, president and business manager of the *Houston Press* since 1929, has been made business manager of the *Columbus Citizen*, and Norman Field, for the past two years on the New York staff, has replaced Mr. Nicholson as advertising director of the Washington *Daily News*.

## World's Largest

In the April 1 issue of *SALES MANAGEMENT* we went out on a limb by stating that the new Wrigley sign on Times Square was the largest spectacular in the country. Further investigation reveals that two Chicago signs installed by the Federal Electric Company—the Standard Oil and the Chevrolet signs—have a larger square foot area. The Wrigley sign can take top ranking on the number of bulbs.

## A. & P.'s Comeback

The Atlantic Commission Company, fresh fruit and vegetable buying organization of the Great Atlantic and Pacific Tea Co., has appointed Lord & Thomas, Los Angeles, as advertising counsel. Possibly aimed at restrictive legislation, institutional type

copy headlines the fact that A. & P. is "a \$55,000,000 customer of yours—California's largest buyer."



## Clever Promotion

Readers of three New York evening papers—the *Sun*, *World-Telegram* and *Journal*—are being astonished these days by coming across an obvious Page One on page nine or a theatrical or financial page in unaccustomed spots. Observing more closely they find that what they are reading is a page from that morning's *New York American*. It's all part of a circulation promotion plan of the latter paper.

## Media Notes

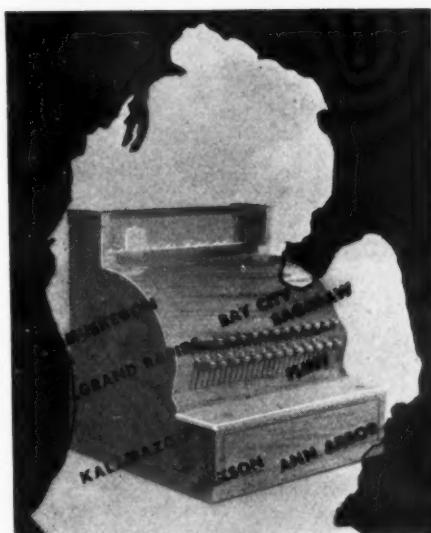
New officers have been selected by the Penton Publishing Co., Cleveland, and the board now consists of John A. Penton, chairman; Charles J. Stark, president and treasurer; Earl L. Shaner, J. R. Dawley and D. M. Avey, vice-presidents, and R. T. Mason, secretary. An executive committee has been appointed consisting of Earl L. Shaner, chairman, Charles J. Stark, George O. Hays, J. R. Dawley, and John A. Penton, ex-officio.

The New York *Herald Tribune* became the permanent possessor of the Ayer Cup awarded for typographical excellence by N. W. Ayer & Son, Inc., in its sixth annual Exhibition of Newspaper Typography. The cup is offered to the daily paper winning it three times and the *Tribune* received first place also in 1931 and 1934. The *Hartford Courant* won it in 1932, and the *New York Times* in 1933 and 1935 and was second in this year's contest. Third place went to the *Washington Post*.

## Account Changes

William Knowlton & Sons Co., manufacturers of women's hats, to the New York office of the Gardner Advertising Co. . . . Charles Gulden, Inc., to Charles W. Hoyt Co. . . . The Country Life-American Home Corp. to Fuller & Smith & Ross, Inc., to handle *Country Life Magazine*. . . . Dermetics, Inc., to Badger and Browning & Hersey, Inc. . . . Liebmann Breweries, Inc., and Wheary Trunk Co. to Erwin, Wasey & Co. . . . The Pioneer Salt Co. to Aitken-Kynett Co. . . . California Chain Stores Association to the Los Angeles office of Lord & Thomas.

# EIGHT KEYS TO "MICHIGAN'S OTHER DETROIT"



*Effective Coverage of the  
OTHER HALF OF THE  
STATE . . . at Minimum Cost*

The eight Booth Newspapers offer you dominant coverage of "Michigan's Other Detroit" . . . that central portion of the State which contains America's most active and highest paid industrial section. And they offer this coverage at minimum cost!

Leading advertisers are now supporting their Michigan dealers with increased schedules in these eight important "key" newspapers. Where so many experienced advertisers are of one mind, there must be a powerful reason.

### WRITE FOR NEW BOOK

Very little small print and not too many statistics. You'll find it an interesting presentation of a desirable market . . . and the one and only way of covering it.

NEW YORK:  
I. A. Klein, 50 East 42nd Street

CHICAGO:  
John E. Lutz, 185 North Michigan Avenue

**BOOTH Newspapers**  
THE GRAND RAPIDS PRESS • THE FLINT JOURNAL • THE SAGINAW DAILY NEWS • THE KALAMAZOO GAZETTE  
JACKSON CITIZEN PATRIOT • THE BAY CITY TIMES • THE MUSKEGON CHRONICLE • THE ANN ARBOR DAILY NEWS

# Raise the fingers of one hand!

THE basic attributes you need in a printing paper to raise the quality and lower the cost of printing are present in KLEEFECT. You can check them off on the fingers of one hand:

1. Adequate strength
2. High opacity
3. Uniform color
4. Proper ink absorption
5. Lack of two-sidedness

KLEEFECT is made in standard weights, both Super and English Finish. Let your paper jobber quote prices to you.

KIMBERLY-CLARK CORPORATION

Established 1872

Neenah, Wisconsin, U. S. A.

Chicago, 8 S. Michigan Ave. - New York, 122 E. 42nd St.  
Los Angeles, 510 W. Sixth St.

*Kleefect*  
THE PERFECT PRINTING PAPER  
MANUFACTURED UNDER U. S. PAT. OFF.

## IN PHILADELPHIA



You will enjoy your stay at the Bellevue... you will enjoy its world famous cuisine... its smartly modern comforts and appointments... its traditional hospitality... Your engagements, theatres, shops, sports and transportation are conveniently close by.

Rates as low as \$3.50

## BELLEVUE STRATFORD

One of the World's Great Hotels

CLAUDE H. BENNETT, General Manager

## Kool-Aid Launches Big Summer Ad Campaign

(Continued from page 642)

campaign ever undertaken on a single product. Backing up this campaign is advertising which will carry sales messages totaling 815,170,160 into the homes of the nation.

These are classified as follows:

| Type of publication                                 | Circulation |
|---|-------------|
| 238 daily newspapers.....                           | 674,698,380 |
| 9 national magazines.....                           | 44,021,834  |
| 3,700 small-town weeklies...                        | 72,121,232  |
| <i>The American Weekly</i> (17 Sunday papers) ..... | 23,758,464  |
| 10 grocery trade papers.....                        | 570,250     |

The nine national magazines to be employed are the *Ladies' Home Journal*, *Saturday Evening Post*, *Woman's Home Companion*, *McCall's*, *Pictorial Review*, *Delineator*, *Country Gentleman*, *Farmer's Wife* and the *Household Magazine*. Of these all but two are strictly women's publications.

The ten grocery trade publications are *Wholesale Grocer News*, *National Food Distributors' Journal*, *Co-operative Merchandiser*, *Commercial Bulletin*, *Progressive Grocer*, *Chain Store Age*, *Successful Grocer*, *Grocer's Advocate*, *Southern California Grocer's Journal* and *New England Grocery & Market*.

## The Trade Is Told Early

Advertising in the grocery publications was started in February and was followed with a series of direct mail broadcasts. The advertisements and mailing pieces carried the story of the coming nation-wide consumers' campaign and the message was told and retold:

"Stock up early. Be ready. Be all set to get the business when the campaign breaks."

The company distributes direct through jobbers and chains and the orders began to flow early in March. They started with a rush and have continued to climb.

Each carton of Kool-Aid contains a brilliant 4-color reprint of the *Ladies' Home Journal* full-page smash carrying the coupon, and a window banner which broadcasts:

"Redeem Your Free Kool-Aid Coupon in This Store as Advertised in the *Ladies' Home Journal*."

The dealer is urged to back this up with mass displays and sample servings. A neat cardboard counter package container, in color, is supplied as a silent point-of-sales salesman. The flavors offered are orange, lemon-lime, grape, cherry, raspberry and strawberry. The first two are true fruit flavors and the others imitation.

Recipes printed on each package, and in the consumer advertising, tell of the various uses of Kool-Aid and how to prepare them. These include, besides drinks, frozen suckers, cubes and ice cream-sherbet. It is also suggested as a flavor for milk shakes.

The color advertising shows the six drinks in color, flavored ice cubes in color, and sherbet in the various colors. Kool-Aid packages are also pictured, with the various uses to which the product can be put on a background of green. The trade name Kool-Aid, on the top of each package, is printed in black with an incrustation representing snow.

The campaign was worked out by the Mason Warner Co., of Chicago, which places the advertising. One of the clinchers to the trade is the statement that "one out of every ten homes from coast to coast can get a full-size package of Kool-Aid absolutely free."

## Cape Cod Starts to Send Us to Sea in Sail Boats

(Continued from page 617)

can be built with little investment and by boat builders with little experience in design, their manufacture is done by many small yards and shops and their sale is more local than that of larger boats.

In the power boat field Cape Cod had stuck to round bottom seagoing hulls, emphasizing long life, low maintenance cost and dependability in all weather ahead of speed and streamlining. The market for them, Mr. Williams found, is specialized and limited largely for use as yacht club tenders and for families living at vacation places who must do their shopping by water. The market had been reduced by the advent of lightly-built V-bottom hulls.

The production of sail boats, he decided, was not only the field in which the corporation was best known, but that in which its greatest possibilities lay. The least expensive power boat, he reasoned, cost the buyer \$600 or more, whereas a sail boat of equal length, for racing or general use, would be only about half as much.

Sailing requires skill, however, and skill requires practice and "education." Mr. Williams decided to start with the youth market. The youngster of 12 who became interested in sailing and competent to handle a very small boat would be of college age in five or six years and would want a 15- or an 18-footer.

In fact, he started also to tackle a market even younger than 12. The Beach Boat, which costs hardly more

than a good tricycle, is six feet long, 26 inches wide, and has a capacity of more than 250 pounds or half a dozen small youngsters. Besides a lot of fun, it is intended to give them, he said, "balance, coordination and the 'feel' of the boat."

When they are 8 to 14 "they are capable of handling a fully rigged and equipped small Knockabout."

Then with the thriving ski business in mind, and realizing that in 1936 only five or six months would be available for introduction of the Playboats, Mr. Williams contacted department stores. Saks Fifth Avenue, originator of the indoor ski slide, has started a sailing school. In cooperation with boys' and girls' private schools, lectures are being held there each Saturday morning for would-be young skippers. So many adults came each Saturday that a separate set of lectures is being planned for them. A fleet of Cape Cod 15-footers will be located at a convenient Long Island harbor for adult outdoor instruction.

#### Yacht Clubs Give Backing

Jordan Marsh & Co., Boston, has begun similar courses. Yacht club associations, with an eye to lengthening their membership lists, are backing these schemes.

Paralleling this penetration of the market for low-priced boats, Mr. Williams has reorganized the distribution of Cape Cod's larger one-design sail boats through boat dealers, with showrooms and yards located on water. Generally, stores lacking water-side demonstration facilities cannot sell the larger racing boats effectively. Dealer organizations already have been appointed in Miami, Jacksonville, Houston, Kansas City, St. Louis, Minneapolis, Chicago and other cities. There are about 75 dealers in all.

In the first three months of the new set-up dollar sales were more than those for the entire year 1935. The advertising this year probably will be confined to yachting papers. Next year, with newspapers and perhaps other general media added, Mr. Williams expects that the sail boat trend really will come into its own.

#### Beg Your Pardon, Tulsa!

This magazine's statistical staff didn't do right by Tulsa on pages 602 and 603 of the April 10 Survey of Spending Power. Tulsa County, with a per capita spendable money income of \$697, should rank in 30th place among the larger cities of the United States; in county urban family median income Tulsa County ranks 16th, and in city spendable money income its \$800 per capita places it in a tie with Chicago for 23rd place.

APRIL 20, 1936



## Actual Photograph\* of a Sales Manager Who Is Perfectly Satisfied With Himself

He has little doubt but that his competitive situation is perfect—his distributors work for him whole-heartedly—all dealers push his product—and customers stand in line for it.

Actually, a newcomer in the field is cutting in pretty badly; many of his distributors are dissatisfied with their margins; his salesmen, reflecting his own attitude, have turned into order takers.

As long as he keeps the attitude depicted by our candid camera the situation will go on getting worse. No one can tell him anything! Until he gets fired and then they tell him plenty.

Some periodic checks on this situation would have helped considerably. They would have indicated danger before it was too late. A good outside research organization whose job it is to know how to study these things could have kept him posted. We, whose name appears at the bottom of this ad, could certainly have saved his company (and himself) some of this grief. Not because we know so much about his particular business, but because we are experts in finding out what is wrong and what might be done about it.

This would have been worth real money to the company at the right time. It might have saved the sales manager his job.

\* Well, no real life sales manager could look quite so complacent. Someone had to pose for it.

#### HOW BIG COMPANIES USE MARKET RESEARCH TO INCREASE SALES

Series No. 1

This is the first of a new series of case histories, naming names and showing processes. It ought to give you ideas for your own business. Watch for these offers by series number. There will be more of them. Sent free when requested on your letterhead.

# MARKET RESEARCH CORPORATION OF AMERICA

Formerly Percival White, Inc.,  
and Arnold Research Service, Inc.

Rockefeller Center, N. Y. City  
120 S. La Salle St., Chicago

*Prevents those wrong decisions, based upon faulty facts, which cost you time and money*

[ 653 ]



# SALES LETTERS

BY MAXWELL DROKE

## Saying "Write Your Senator" So It Moves the Constituents

In view of all that has been said and written in these many months concerning the political potency of organized minorities, I have often wondered why the larger American corporations have been so reticent in their endeavors to organize and motivate their millions of stockholders. Surely, here is a latent force that, once stirred to action, could exert no mean power in furthering constructive legislation and curbing dangerous tendencies.

Thus it is with special interest that I have read a letter which the Perfect Circle Co. is sending to all stockholders, as of March 31. In presenting extracts from this letter, I hold no warrant for the ideas expressed. This department is not a political forum. But I do feel that the message marks a significant trend which is worthy of special note:

"To Perfect Circle Stockholders:

"You have imposed upon the directors and management of this company the responsibility of protecting your investment. We accept that responsibility as our rightful duty, and are doing our best to merit the trust you have placed in us. But there has sprung up in this country an 'enemy' to all business, against which industry cannot prevail unless the thinking citizens of all classes help to annihilate it. We believe the management and directors of this company have an obligation to advise you that the long-range view of American business is not the least bit encouraging if the present policies of government are continued.

"Although business is better, everyone connected with the management of business feels that recovery has been substantially retarded by the kind of legislation that has been enacted during the past three years.

"As a stockholder of this company, you can help us on this problem by writing to your Senators and Representatives, telling them in no uncertain terms that you expect them to be statesmen, to forget politics and the Utopian plans and get their feet back on the ground again. Ask them to repeal the provisions for a graduated tax on corporation income and the excess profits tax on corporation earnings. . . . Ask them to kill the bill which taxes surpluses—surpluses which every successful business man knows are necessary. These are practical steps. Do not think your letter will not be noticed. If you, and mil-

lions of other stockholders through the country, write such letters, the results will be of immense value, because investments will be stimulated, production increased and employment created."

## The Old Law of Averages Needs Amending for Mailers

The comment which I made in the March 15 SM on the dangers inherent in an inadequate test has aroused a great deal of interest. A number of large mailers have taken the trouble to tell me that they, too, have lost much of their childlike faith in the much publicized Law of Averages. The truth is that our whole philosophy of testing is pretty antiquated. It badly needs a thorough overhauling. The textbooks are teaching tyros a lot of things that just naturally ain't so.

Even in our own business, with 75,000 active customers—all known mail-order buyers—we make it a standard practice, in covering the list, to key our literature in units of 5,000. On one mailing that has been out, as this is written, about ten days, the top unit of 5,000 has produced business totaling \$84 per thousand. At the other extreme is a unit that has not yet reached the average of \$40 per thousand. Why? I have not yet had an opportunity to make a detailed analysis of geographical and other factors. But this does show, rather conclusively, the fallacy of putting too much confidence in one small test.

I was reading, only recently, of a mail-order operator who made some radical change in his procedure as a result of three small tests, totaling less than a thousand names. I do not say that this move was a mistake, but I do contend that it was made upon woefully inadequate data. In mail selling, no fundamental change should be made in a program until *repeated* tests, on an adequate scale, have proved the soundness of your move.

## A Clear, Capable Letter With a Ring of Conviction to It

There is nothing at all clever or sensational about this letter, mailed to a list of householders by a middle western home maintenance organization. It is plainly processed, on a simple one-color letterhead. And yet, somehow, it gives me an impression that the organization is sound, capable, sincere. Knowing nothing of the company, I would be willing to wager that they do good work at a fair price. And that, probably, is the impression they were seeking to convey:

"Dear Mr. \_\_\_\_\_:

"At this season you begin to take inventory of the repair and maintenance jobs around the house that simply *must* be done this Spring. A little painting, perhaps; some paperhanging; a bit of carpenter work; repairs to the cement walk . . .

"What an undertaking it is to find the right people for each little job! And how on earth will you ever manage to get them all together at the right time, so that everything can be done with the least bother? Well, the answer to that—at this busy season—is that you simply *can't*—unless you turn *everything* over to one responsible organization.

"This is where we come into the picture. Ours is a home maintenance organization, fully equipped and having available more than 100 mechanics and workmen—each a specialist in his particular field. You simply tell us what you want done. We assume full supervision and guarantee you complete satisfaction. A single contact—a single contract.

"Why not telephone us now? Or, if you prefer, use the handy card. An estimate on your work involves you in no cost or obligation.

"Very truly yours,  
*"Huber Contracting Company."*

"P. S.—A program of deferred payments can be arranged if you wish."

## Addressed Reply Envelopes Are Evidently Good Stuff

The large mailer, to whom return envelopes are a considerable item, probably questions, now and then, whether such an expense is actually justified. Thus the results of a survey recently reported by Berkowitz Envelope Co. should be of interest. The survey covered women representative of the class who have charge accounts, and also a selected list of business and professional men.

To the first question, "If you pay bills by mail, do you use the addressed reply envelopes which some firms send out with their statements, to mail your checks?" More than 80% of those responding indicated that they did use such envelopes, at least part of the time, and that they appreciated the convenience.

To a second question: "Do you prefer that business firms send you a reply envelope with statements and letters requiring an answer?" the response was as follows:

|                  |       |
|------------------|-------|
| Yes .....        | 76.0% |
| No .....         | 7.3%  |
| Don't care ..... | 15.6% |
| No answer .....  | 1.1%  |

## Standing Invitation

Mr. Droke is always glad to criticize sales letters and direct mail messages for our subscribers. There is no cost or obligation for this service. Address him in care of SALES MANAGEMENT, enclosing a stamped, addressed envelope.

# Magazine and Radio Expenditures

(March and year to date)

Compiled for SALES MANAGEMENT by Publishers' Information Bureau, Inc.

## NATIONAL MAGAZINES

## RADIO

| Class                         | March        | 1936         | 1935         | January-March | 1936        | 1935        | February    | 1936        | 1935 | January-February | 1936 | 1935 |
|-------------------------------|--------------|--------------|--------------|---------------|-------------|-------------|-------------|-------------|------|------------------|------|------|
| 1. Automobiles                | \$ 1,504,085 | \$ 868,138   | \$ 2,732,462 | \$ 1,649,756  | \$ 369,972  | \$ 324,989  | \$ 708,378  | \$ 696,098  |      |                  |      |      |
| 2. Auto Accessories           | 452,242      | 323,020      | 796,359      | 580,214       | 411,330     | 264,333     | 826,694     | 551,854     |      |                  |      |      |
| 3. Clothing                   | 502,794      | 385,857      | 975,832      | 743,827       | 34,082      | 39,522      | 62,863      | 68,114      |      |                  |      |      |
| 4. Communication              | 87,012       | 75,753       | 181,109      | 163,730       | —           | —           | —           | —           |      |                  |      |      |
| 5. Elec. Household Equipment  | 402,931      | 500,196      | 615,287      | 652,850       | 7,904       | 47,978      | 15,800      | 63,340      |      |                  |      |      |
| 6. Elec. Structural Equipment | 63,972       | 36,546       | 172,624      | 71,983        | —           | —           | —           | —           |      |                  |      |      |
| 7. Financial                  | 377,132      | 314,650      | 796,146      | 684,199       | 48,516      | 44,274      | 83,906      | 92,835      |      |                  |      |      |
| 8. Foods                      | 1,653,866    | 1,463,014    | 3,757,732    | 3,624,118     | 842,355     | 888,850     | 1,752,098   | 1,866,774   |      |                  |      |      |
| 9. Food Beverages             | 359,687      | 310,566      | 806,237      | 706,995       | 373,580     | 261,927     | 731,453     | 551,361     |      |                  |      |      |
| 10. Beer, Wines and Liquors   | 288,783      | 314,046      | 661,546      | 795,360       | —           | —           | —           | —           |      |                  |      |      |
| 11. Confections               | 124,902      | 143,925      | 164,329      | 263,259       | 106,492     | 176,208     | 232,577     | 371,081     |      |                  |      |      |
| 12. Housefurnishings          | 284,976      | 281,268      | 607,527      | 577,354       | 28,719      | 18,772      | 59,283      | 18,772      |      |                  |      |      |
| 13. Kitchen Supplies          | 141,753      | 138,555      | 251,253      | 206,367       | 48,942      | 26,766      | 99,220      | 53,093      |      |                  |      |      |
| 14. Soaps, Cleansers          | 493,213      | 485,126      | 1,161,135    | 1,080,542     | 218,474     | 152,272     | 412,192     | 310,571     |      |                  |      |      |
| 15. Jewelry, Clocks, Watches  | 37,335       | 8,869        | 73,318       | 29,158        | 11,372      | 3,752       | 23,558      | 7,504       |      |                  |      |      |
| 16. Machinery                 | 50,093       | 36,077       | 118,816      | 84,533        | —           | —           | —           | —           |      |                  |      |      |
| 17. Office Supplies           | 177,348      | 155,449      | 317,206      | 347,358       | 102,904     | 20,316      | 211,668     | 25,395      |      |                  |      |      |
| 18. Publications              | 156,254      | 120,492      | 376,673      | 280,898       | 19,968      | 32,124      | 42,576      | 86,344      |      |                  |      |      |
| 19. Radios                    | 175,668      | 77,216       | 345,232      | 194,920       | 96,808      | 91,144      | 189,631     | 187,847     |      |                  |      |      |
| 20. Smoking Materials         | 542,008      | 537,637      | 1,315,857    | 1,234,433     | 338,850     | 292,849     | 697,798     | 614,220     |      |                  |      |      |
| 21. Sporting Goods            | 157,312      | 152,832      | 413,859      | 441,577       | —           | —           | —           | —           |      |                  |      |      |
| 22. Structural Materials      | 87,390       | 57,443       | 181,582      | 119,268       | 17,024      | 15,588      | 41,124      | 31,830      |      |                  |      |      |
| 23. Structural Fixtures       | 138,927      | 83,942       | 220,322      | 122,513       | 74,602      | 16,228      | 140,979     | 33,587      |      |                  |      |      |
| 24. Toilet Goods              | 1,575,816    | 1,622,702    | 3,219,670    | 3,703,912     | 976,074     | 969,247     | 1,914,487   | 1,985,093   |      |                  |      |      |
| 25. Medical Supplies          | 880,661      | 880,391      | 2,109,540    | 2,155,541     | 502,149     | 655,821     | 1,010,076   | 1,326,909   |      |                  |      |      |
| 26. Travel and Accommodations | 478,064      | 359,719      | 924,611      | 747,617       | 9,144       | 5,413       | 14,112      | 9,393       |      |                  |      |      |
| 27. Miscellaneous             | 1,292,420    | 954,452      | 2,810,448    | 2,197,414     | 146,543     | 64,407      | 255,891     | 124,751     |      |                  |      |      |
| Total                         | \$12,477,582 | \$10,687,881 | \$26,106,712 | \$23,459,696  | \$4,785,804 | \$4,412,780 | \$9,526,364 | \$9,076,766 |      |                  |      |      |
| Increase                      | 16.7%        |              | 11.3%        |               | 8.4%        |             | 4.9%        |             |      |                  |      |      |

Note—The National Magazines checked total 114 publications, 15 weeklies and semi-monthlies for February and 99 monthlies, including *Vogue* for March. All figures are based on one-time or single insertion rates.

Note—Network Radio Broadcasting figures cover national or chain broadcasting carried over the networks of the National Broadcasting Company, Columbia Broadcasting System and the Mutual Broadcasting System for 1936. The figures cover facilities only and do not include talent.

## Texas Centennial Ads Rope in Many Inquiries

(Continued from page 623)

front gate is 18 miles from your front door you do not belong to society as constituted in Texas.

Each inquiry, foreign or domestic, is answered personally, and regularly followed up with more and more startling facts. Moreover, if a question is asked by a coupon-signer about, for example, Waco, that name is referred to the Waco Chamber of Commerce, and used still further to benefit both the individual and the individual city.

Through March inquiries ran something like this: California, 2,954; Illinois, 3,551; Massachusetts, 1,652; Missouri, 1,839; New York, 4,693; Ohio, 3,423; Pennsylvania, 3,773, and Texas, 8,080.

Publications which have run or are running Centennial advertisements (prepared by Tracy-Locke-Dawson, advertising agency of Dallas and New York) are: *Saturday Evening Post*, *Collier's*, *Time*, *Fortune*, *Holland's*,

*American Weekly*, *Literary Digest*, *Liberty*, *News-Week*, *Better Homes & Gardens*, *Red Book*, *Cosmopolitan*, *Editor & Publisher*, *National Geographic*, *Where-to-Go Bureau*, *The Instructor*, *Field & Stream*, *Outdoor Life*, *Sports Afield*, *American Golfer*, *Golf Illustrated*, *McCall's*, *Good Housekeeping*, *Delineator*, *Woman's Home Companion*, *Ladies' Home Journal*, *Household Magazine*, *Pictorial Review*, *Cappers Weekly*, *Country Gentleman*, *Country Home*, *Successful Farming*, *Progressive Farmer* (except Texas edition) and *Cappers Farmer*.

A hundred outdoor advertising posters dotting the country at points on all trans-continental highways flash by day and night the Centennial invitation. Two men are touring the South and Middlewest placing waterproof posters on barns and fences. Auto stickers are being given away in truck-load lots. A series of six four-color travel posters is being used in bus terminals. Texas Quality network told the Texas story every Monday for 18 weeks in 30-minute shots, and the

Centennial heads are contemplating a radio program of still wider scope.

Eighty key newspapers have been given advertisements for April releases. Further, electrical transcription records, to run five minutes, have been distributed to all radio stations of 50,000 watts or more.

In short, Texas isn't being shy in boosting its 137 celebrations of this year. The celebrations, however, are secondary. Boosting of the state itself is primary in the state advertising appropriation, and big business of Texas has planned an appeal to the Legislature to continue the advertising program long after the Centennial year has passed.

This thought is simmering while a staff of eight girls and four men work feverishly telling Catholic inquirers about the Texas shrines that have made history . . . wheat belt inquirers about the wheat farming in West Texas . . . sportsmen inquirers about the tarpon fishing at Corpus Christi and the polo playing at San Antonio . . . flower lovers and fruit fans about the rose festival at Tyler, the

## New Spark for Your SALES Motor

Every so often your sales need a spark—fresh impetus—something to stir the inertia of men. We will agree that your product or service may differ in substance, use or type—but in one respect its needs are similar to thousands of other enterprises.

### For Stimulating Sales

Our business is to furnish fresh ideas for increasing sales—whether or not you sell through distributors, jobbers, dealers, salesmen or direct to the consumer. With the aid of special contests, prizes, combination sales, or containers, we have introduced more colorful appeal in hundreds of merchandising plans.



### 6 Piece Cocktail Set

Only one number of a complete line of modern gift ware. You will find other beverage accessories, smokers' sets, console sets, luncheon service, buffet pieces and dozens of others which appeal to both men and women. Write for gift ware catalog.



### The Waterless Cooker Has Many Appeals

- Savings
- Convenience
- Health
- Leisure

With the Waterless Cooker promotion plans are assured of more successful results. It is the one utensil which is recognized universally as the most desirable and necessary item for healthful cookery. West Bend developed the original Waterless Cooker—and today offers a complete line in many sizes and types.

Ask for sales stimulation plans for your business—there is no obligation for our suggestions on putting new spark in sales!

### West Bend Aluminum Co.

Dept. 934

West Bend, Wis.

bluebonnet fields that dot the whole state map, the sunken park Breckenridge in San Antonio and the Botanical Gardens of Fort Worth.

Most of the inquirers have "always wanted to see Texas," and the letter stuffers, changed monthly for interest, try to make it possible for every prospective visitor to kill two birds at one throw by coming to Texas at a time when interest is keenest in his particular hobby.

All in all, in addition to the individual boosts given the \$25,000,000 Texas Fair by the buyers of exhibit space, over a million dollars is being invested in advertising the event. On the side, loyal Texans are carrying the advertising idea into even more subtle channels—as exemplified by Stanley Marcus' recent New York party for editors of *Vogue*, *Harper's Bazaar*, *Esquire* and the whole notable group of fashion authorities. Stanley Marcus is vice-president of the Neiman-Marcus Company specialty store in Dallas.

With his New York party he hopes to start the fashion for a new color, bluebonnet blue, and the talk of a new cloth, Texas cloth.

### Problems in Pricing to Beat Private Brands

(Continued from page 617)

5. Private brands, there is reason to believe, approximate the most salable quality more closely than many national brands. National brands are usually of good quality. In some cases the American consumer would prefer lower quality and a correspondingly lower price. In other instances, unusually fine quality is desired and a premium price willingly paid. The chains are very keen in sensing these situations and taking advantage of them.

The average shirt is discarded because cuffs and collar become frayed. The body of the shirt is still serviceable. How much could the price be reduced if the quality of the body of the shirt were lowered so that the whole wore out as a unit? Tools and similar equipment of excellent quality are carried by hardware stores. These national brands are suitable for carpenters and skilled mechanics. But it was the 5&10's which sensed the need of the average American for inferior tools to use in putting around his home. It is no accident that chain-store buyers rise from selling ranks. Salability is the most vital element in the merchandise which they buy.

Some people, on the other hand, really want quality which is greater

than that offered by the average national brand. One chain sensed this need in canned goods and has successfully marketed its own brand of very superior quality in the New York area at prices above those of the better known national brands. Even in this case, a situation by no means as rare as might be supposed, the larger retail operators have shown great astuteness in gauging exactly what the consumer wants and then giving it to him at the best possible price. There is little unwanted "surplus" quality in private brands.

### The Distributor's Dilemma

Distributors, in addition to being able to buy private brands advantageously, prefer to handle private brands because they offer (a) control of sales policy, (b) adequate margins, (c) quality and construction as wanted, and (d) repeat business which accrues to the distributor and to no one else. Thus, in a case where national brand and private brand offer about the same return, the distributor will prefer the private brand.

The cumulation of buying and selling advantages lies with the large firm. Private brands are also more easily sold through big outlets. A brand cannot be pushed unless it is available either over a large area or in one big store which sells many units. A single grocery store is under a handicap compared to the A. & P. Only the A. & P. has sufficient volume to warrant newspaper advertising. A small specialty store cannot, similarly, compete with Marshall Field's or Wanamaker's. The sales promotion efforts necessary to get private brands moving over the counter are somewhat an attribute of size.

To compensate for these disadvantages, the smaller outlets can organize into voluntary chains. This has taken place among grocery stores and is smouldering in the department store, hardware, drug and dry goods field. Another answer is to limit the advantages of size to "fair" dimensions. This leads to the proposed laws against special discounts and in behalf of retail price contracts. The clamor for these laws is based upon the following premise: Make the manufacturer charge an equal amount of overhead to every unit produced and make the chain add actual operating costs to every item sold—then the independent can compete.

The manufacturer must heed this cry for two reasons. If he does not follow these policies, he is favoring private brands in competition with his national brand. Second, the publicity

of the last few months has given dealers enough data to enable them to avoid the brands of those manufacturers who are not giving them a "fair" deal. Under any circumstances, the proposed legislation merely changes the rules of interbrand competition. In no way does it lessen this struggle. The problem of the manufacturer, therefore, is so to gear his sales policy that he gives his dealers the maximum incentive to push his national brand.

## How We Recruit 500 Men a Year by Mail

(Continued from page 628)

sents pictures and records of some of our veteran salesmen, with names, addresses, and actual earnings; then takes up Davis tailoring, the firm and its creed, our national advertising in such publications as *The Saturday Evening Post* and *Esquire*, our insurance policy, our membership in such organizations as Rice Leaders of The World Association and the Chamber of Commerce of the United States, our selling helps, our compensation plan, and our sales kit, which is a most elaborate one.

The earnings folder is revised frequently to keep it up to date. It presents the financial aspect of the Davis sales franchise; illustrates the fact that earnings of Davis salesmen in 1935 were greater than in 1926—the business level for which industry is reaching; tells how earnings are collected; outlines the commission and bonus plan; tells of sales contests and income from repeat sales, and lists the actual earnings, to the penny, of several Davis salesmen (who are named) for the first 11 months of 1935.

Every effort is made to win the applicant's confidence by being frank and specific and by avoiding exaggerations. This is of paramount importance in securing the better type of salesman and in holding him thereafter.

Many visitors to our factory ask to take on our line and some have interesting stories that illustrate this point. One of these was a man who had been selling tailoring for a concern in another city and had done quite well until he visited the factory. He had been persuaded that it was a big company, because it always featured the cut of a big building, bearing its name, on all literature and letterheads. But when he located the building and asked the elevator operator where he could find Mr. Blank, the sales manager, the elevator operator didn't know Mr. Blank. On being told that Mr. Blank was sales manager of the tailor-

ing firm, the operator recalled that the factory was located on an upper floor. And there the salesman found the factory occupying part of one floor of the big building. He promptly lost confidence in that firm, of course, and could no longer sell its line conscientiously. Instead, he came up to have a look at our factory and when he found that it really is a big, modern one and that we occupy all the space, he wanted to sell our line. He has been doing so ever since.

Our application form is a double sheet, perforated, one sheet being the application proper, the other designed for the salesman to tear off and keep as a record and reminder of what we and he agree to do.

On page one the applicant subscribes to the statement that he believes he can meet the selling requirements outlined in our literature, and makes formal application for a position, answering about two dozen questions concerning himself, his family, his connections, his experience, and his intentions, and giving not less than three references.

On page two we ask him to tell us more about himself and his selling plans. "Answers to questions on page one are of a formal character," we tell him; "frequently the applicant can furnish more important information.

### "Sell Yourself to Us"

"The successful man in the selling field *must be a salesman*. Use the following space, and if necessary, an additional sheet, for selling yourself to us. The man who can *sell himself* can also sell a quality line of merchandise. Tell us about yourself, your experience and your ambitions, exactly what you would say if sitting across the table applying for a job as salesman."

Page three, which the applicant retains, states ten specific things which we agree to do and ten which he agrees to do, so there should be no misunderstanding of terms. Page four is devoted to reproductions of some letters from repeat customers.

About half of those to whom we send applications, in response to inquiries, return them. Here again we do considerable weeding out. A glance at a few answers to key questions on page one and a quick survey of the applicant's statement on page two usually indicates whether he is worth considering further.

If it still appears that the applicant is a likely prospect, we then communicate with his references. We give particular attention to business references, as almost anyone can dig up a good character reference.

## Read in the current MARKET RESEARCH the ideas of

William S. Paley, President,  
Columbia Broadcasting System, on

### The Value of Market Research in Shaping the Policies of a Radio Network

George Gallup, Founder and Head of the American Institute of Public Opinion, on

### The Methods Used by that Organization to Obtain Widespread Reactions to Political Situations and Other Matters of Public Interest

Also, results of a study of the travel market and its potentials, by Warwick S. Carpenter, who has just completed the survey

And results of a test of products criticized by Consumers' Research, Another Study Checking the Effectiveness of Slogans, as well as Descriptions of a Number of Current Surveys.

Fill in the coupon, and receive this and subsequent issues of the only magazine devoted to this important new field of business.

Market Research  
Rockefeller Center, N. Y.

Please enter my subscription for one year for  
MARKET RESEARCH.

I enclose \$1... Bill me for \$1... (Foreign, \$2)

Name .....

Company .....

Street .....

City ..... State .....



BUSINESS MEETINGS

HAVE

PERSONNEL BACKING

AT

## Chalfonte- Haddon Hall

WE HAVE trained a special staff in the care and treatment of delegates. At its head is an experienced convention man who puts himself and his force at your command. Let him handle the bothersome details, while you take up more important matters. Modern, quiet meeting rooms. Attractive rates to business groups. American and European Plans. Write us for full information.

Leeds and Lippincott Company  
ATLANTIC CITY

### SALES CONTESTS

Planning and Merchandising

Sample copy of our Merchandise Prize Catalog, and brochure, "Information on Sales Contest Operation," furnished to sales and advertising executives without charge.

SALES CONTESTS, INC.  
10th Floor American Bldg., Dayton, O.

PHOTOSTATS  
COMMERCE PHOTO-PRINT  
CORPORATION  
1 WALL STREET  
233 Broadway 56 Pine St.  
80 Maiden Lane 33 W. 42nd St.  
Digby 4-9135-6-7-8

The classified advertising of  
SALES MANAGEMENT is  
consistently read by major  
sales executives. Advertise  
there to interest them.

What we sometimes learn from such references is amazing. One applicant listed a judge as one of his references and, when we investigated this, the judge replied that the applicant was a crook whom he had twice sentenced!

On the average, we hire about one of every five applicants. It requires ten inquiries, therefore, to produce one recruit. Nevertheless, this is probably a favorable percentage. At any rate, we are obliging the applicants as well as ourselves in exercising considerable care in selecting rookie salesmen. It would be wasteful to both parties were we to employ applicants who are obviously unsuited for such work.

As a result of pursuing the methods outlined above, and of the favorable reputation which we have established, we find that we are getting a better class of applicants. Too, those whom we hire are producing better results for themselves and for us. This is clearly established by the fact that the average Davis salesman's earnings have been increasing steadily for the past four years, which cannot be said of all industry.

Necessary sales training is provided in several manuals which we supply, but that is another story.

### Advertising Campaigns

(Continued from page 621)

printed on pages that have an index along the right hand margin, similar to a dictionary thumb index. Each sheet is perforated so that the editor of the feature page, the woman's page, etc., can tear off his particular section.

"We always include material which is *not* publicity: Meaty facts which the editor may use for editorials and such. Our 'fillers' contain many figures about the cost of advertising, about general business conditions, and a variety of freak news. All this information creates editorial good will."

No date appears on the clip sheet. BBDO plans to publish an edition only when there is something worth writing about. That may be once a month, oftener, or less frequently.

In spite of the fact that the second edition appeared just when a considerable portion of the country was battling flood waters, the response from editors was "tremendous. Record-breaking." After the very first edition, one out of every three editors who received one or more mats with the mailing ordered additional illustrations.

Although the agency's publicity department is run without profit, it feels that the *News Letter* is, indirectly, highly profitable to its clients and to the newspapers also.

### More About Salmon

The Canned Salmon Industry, representing 91% of the packers, is not relaxing its ad efforts with the end of Lent. For the first time the fish men are casting their sales nets all year 'round. SM for March 1 told of the four women's and three farm magazines carrying salmon ads prepared by J. Walter Thompson.

That is one part of the \$300,000 a year budget set aside for 1936-37. Nine trade papers supplement this; and *Salmon Splashes*, a house organ, goes to retailers, brokers and wholesalers six or seven times a year. More than 170,000 store window streamers, and 350,000 menu stickers for restaurants, hotels and railroads were sent on request by the C.S.I. during "Canned Salmon Week."

*Salmon Splashes* describes such combinations as "Big Salad Value. Salmon and Mayonnaise" that produced a 48% increase in volume; a jumble display leaped sales 42% over the normal weekly volume. These pleasantest of true fish stories are inducing grocers to put salmon in the spotlight.

For decades the average annual carry-over of salmon has been a million cases, though sometimes this was reduced by small runs of the silver horde. At different times since 1926 various smaller groups of canners have tried advertising to move an immediate surplus of a particular variety of the fish. The present yo-heave-ho by practically everybody in the industry is unusual in size, length and completeness.

### How Newspapers Cover Leading City Markets

(Continued from page 624)

Morning (Continued)

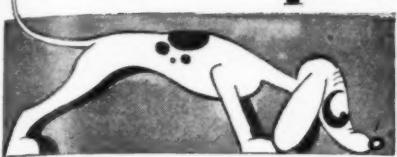
|                             |     |
|-----------------------------|-----|
| 15. Nashville Tennessean    | 162 |
| 16. Chicago Tribune         | 153 |
| 17. Buffalo Courier-Express | 152 |
| 18. Washington Herald       | 151 |
| 19. Norfolk Virginian-Pilot | 150 |

Evening (Continued)

|                            |     |
|----------------------------|-----|
| 55. Dallas Times-Herald    | 169 |
| 57. Cincinnati Post        | 168 |
| 58. Philadelphia Bulletin  | 166 |
| 59. Johnstown Tribune      | 165 |
| 60. Tacoma News-Tribune    | 164 |
| 60. Memphis Press-Scimitar | 164 |
| 62. Houston Chronicle      | 163 |
| 63. Peoria Star            | 161 |
| 64. Milwaukee Journal      | 158 |
| 65. Syracuse Journal       | 156 |
| 66. Elizabeth Journal      | 154 |
| 67. Nashville Tennessean   | 153 |
| 67. Cleveland Press        | 153 |
| 69. Albany News            | 152 |
| 70. Albany Times-Union     | 152 |
| 70. El Paso Herald-Post    | 152 |
| 72. Columbus Citizen       | 151 |
| 73. Harrisburg Telegraph   | 150 |

SALES MANAGEMENT

## tips



Booklets reviewed below are free unless otherwise specified, and available either through this office or direct from the publishers. In addressing this office, please use a separate letterhead for each booklet requested, to facilitate handling. The address is SALES MANAGEMENT Readers' Service Bureau, 420 Lexington Avenue, New York, N. Y.

### New York Law Journal Defines Its Market for Advertising

Recently the directors of the *New York Law Journal*, the official paper serving the 22,000 members of the bar in New York City, opened its columns to such advertising as would be of service to lawyers, in their professional or personal activities. An analysis of the market, and of this publication covering that market, has been published and is available to interested advertisers and their agencies. Titled "*The Men Who Are Three Men*," the study points out the activities of lawyers as legal and business advisers, as business executives, and as consumers; and the importance of this journal in the lawyer's daily routine. Since the journal publishes daily the calendar of every court in which a New York attorney may appear, from the

United States Supreme Court to the city courts, together with decisions on cases and opinions of the several courts, it is a newspaper which must be closely followed by all practicing lawyers. Certain advertising standards have been set up by the paper, to make its advertising pages valuable to general advertisers in a technical field. For copies, write James M. Muldoon, *New York Law Journal*, 253 Broadway, New York City.

### Beetleware Premiums Available

For present and prospective premium users, as well as for those manufacturers who can use plastic containers for their products, a new brochure showing many adaptations of Beetleware for these purposes has been published by the American Cyanamid Company. Since more than fifty million premiums made of Beetleware have been used by such organizations as General Foods, General Mills, Pepsodent, Johnson & Johnson, Kolynos and many others, the utility of this plastic for these purposes is self-evident. Brochure consists almost entirely of photographs of scores of articles, most of which are available from stock patterns. Copies of "Beetleware" on request to Beetleware Division, American Cyanamid Co., 30 Rockefeller Plaza, New York City.

### Springfield Brand Survey

Manufacturers distributing food and household products in Springfield and western Massachusetts should avail themselves of the brand preference survey made under the direction of the Springfield Newspapers. The "1936 Pantry Shelf and Household Survey" shows standings as of 1934, 1935 and 1936, making comparisons of changing consumer taste and of sales and advertising response immediately apparent. Standings of all brands used in ten or more homes are shown—the list running into some 200 products, in well over 1,000 homes. In addition to food products, household products such as radios,

vacuum cleaners, refrigerators, etc., are covered. This is one of the most comprehensive pantry shelf surveys available on any market. Copies on request to D. W. Davis, Springfield Newspapers, Springfield, Mass.

## To Help You Sell the Whole Hardware Field

*Hardware Age* now offers you—  
**20,000 Paid Circulation—**

one subscription to every six persons engaged in the hardware wholesale and retail trade (counting even office help, warehouse men, delivery clerks, etc.)

**80.71% Renewal Rate—**  
denoting very high reader interest

and

**Sound Circulation Distribution**

in close parallel to the distribution of hardware store sales.

*Let Hardware Age help increase your sales in this important field.*

## HARDWARE AGE

A Chilton  Publication

239 West 39th St. New York  
ABC—Charter Member—ABP

## Planned Investment Programs

Bookmire clients are urged to adopt a *planned* course of investing. Having decided upon an Objective, Brookmire advises each investor to plot a definite course which, under *normal* developments, may be expected to attain the predetermined Objective.

To assist in the attainment of the Planned Program, Bulletin Clients are offered the privilege of personal consultation.

Write for further details and complimentary bulletins.

### BROOKMIRE

CORPORATION • FOUNDED 1904

Investment Counselors and  
Administrative Economists

551 Fifth Avenue, New York

D 30

## Personal Service and Supplies

Cash Basis Only. Remittance Must Accompany Order.  
Classified Rates: 50c a line of seven words; minimum \$3.00. No display.

### EXECUTIVES WANTED

SALARIED POSITIONS, \$2,500 to \$26,000. This thoroughly organized advertising service of 26 years' recognized standing and reputation carries on preliminary negotiations for positions of the caliber indicated through a procedure individualized to each client's personal requirements. Several weeks are required to negotiate and each individual must finance for moderate cost of his own campaign. Retaining fee protected by a refund provision as stipulated in our agreement. Identity is covered and, if employed, present position protected. If you have actually earned over \$2,500, send only name and address for details. R. W. BIXBY, Inc., 118 Delward Bldg., Buffalo, N. Y.

### POSITION WANTED

SALESMAN, 10 years' experience selling factory equipment to industrial plants in Buffalo and western New York for nationally known tool manufacturer. Branch Manager 5 years. Excellent record and references. Box 463, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

### HELP WANTED

ASSISTANT TO THE SALES MANAGER of a large Hosiery Manufacturer, located in a large Eastern City, selling direct to retail trade and doing a national business. The man we are looking for must be young and aggressive but rich in selling experience, with broad knowledge of promotion plans, of proven and demonstrated ability in opening up new accounts, directing salesmen, and familiar with sales routine and procedure. Experience in the hosiery field is not essential, but real sales experience is, preferably with large national organization. This man may now be connected, but feels his opportunity limited and desires a broader field for his abilities. If you are such a man and can demonstrate a record of accomplishment, write us in detail giving past experiences—age—personal qualifications, etc., so interview can be arranged if we feel that your experience and qualifications are what we are looking for. Application will be held confidential. Address Box 464, SALES MANAGEMENT, 420 Lexington Ave., New York, N. Y.

TORONTO  
MONTREAL  
WINNIPEG  
LONDON, ENGLAND

**GIBBONS KNOWS CANADA**

REGINA  
CALGARY  
EDMONTON  
VANCOUVER



# SALES MANAGEMENT

BY RAY BILL

**T**HE TOUCH OF THE SALES MANAGER'S HAND: Carl Wollner, president of the Panther Oil & Grease Mfg. Co. and first president of the Fort Worth Sales Managers Club, had the title of this editorial as the text for the inspirational talk which he made before the Southwest Sales Managers Conference held in Oklahoma City this month. Amid a whirl of oratorical fireworks he outlined the main responsibilities of the modern sales manager as follows: (1) To hire competent salesmen to the end that the percentage of those who make good may be as high as possible; (2) to train salesmen properly; (3) to supervise salesmen by mail or personal contact on at least a regular weekly basis; (4) to utilize a specific weekly program for sustaining the enthusiasm of salesmen; (5) to hold periodic home office and district meetings of salesmen; (6) to put on special drives periodically involving an opportunity for salesmen to earn plus income and win various kinds of prizes.

It is extremely easy to observe that the advice which Mr. Wollner offers is "old stuff." However, it is exceedingly difficult for any sales manager to execute such a program efficiently, effectively and on a *continuous* basis. A thorough check-up would undoubtedly reveal that the percentage of sales managers who are *constantly* doing a really good job along all of these lines is relatively small. It would also show that along some lines individual execution is particularly good, but along others it is both weak and ineffectual. We, therefore, look upon Mr. Wollner's counsel as being of the type which cannot be over-emphasized or repeated by word of mouth or in print too frequently. We urge every sales executive to place this inventory of sales manager responsibilities under the glass top of his desk where he can check his own performance and execution against it *once every fortnight*. By this simple procedure we think almost every sales manager can step up appreciably his own effectiveness.

\* \* \*

**T**RADE PRACTICES STILL ON DECK: Many business men were inclined to believe that when the Supreme Court declared the NRA unconstitutional the problem of trade practice provisions would largely, if not wholly, disappear. SALES MANAGEMENT has always believed otherwise and finds increasing evidence that trade practice provisions will become of ever greater importance during the next few years. The dissolution of

NRA left in its wake many other avenues through which trade practice provisions could be inaugurated. Through various phases of AAA, through the Securities Exchange Commission, the Federal Alcohol Administration, the Federal Housing Administration, the Federal Trade Commission and many other important administrative bodies hardly a week goes by without the inauguration and adoption of some new rules or regulations which specifically affect trade practices in this or that field. In addition, numerous bills continue to be introduced not only in Congress but also in the State Legislatures, no small part of which deal with trade practices as they relate to retail prices, trade discounts, label and advertising regulations, limitations on retail outlets, etc. In his recent speech at Baltimore, delivered before 20,000 young men, President Roosevelt clearly forecast his belief in some form of successor for NRA to make certain kinds of trade practices prevail.

In the face of such trends and developments, it should be clear that sales executives must pay continuous and careful attention to trade practices.

\* \* \*

**T**HE CHALLENGE OF UNEMPLOYMENT: The American Federation of Labor still claims there are some 12,000,000 unemployed workers in the United States. The National Industrial Conference Board contends that a large part of whatever slack exists must be taken up outside of the factories.

Subsidized salesmen, for example, would be as useful consumers as people on relief or on public works relief. But they can do much more to expand employment at better than subsistence wages on a continuous basis, because salesmen who make good not only create steady jobs for themselves but also for additional workers in the factories and the service and transportation industries.

Perhaps unemployment is really a challenge to the sales executive of America. Certainly this idea warrants much greater consideration and study than it has received to date. Meanwhile, the formula method by which unemployment is currently measured needs a thorough overhauling and we deeply endorse the proposal that a new, factual census of employables who are currently without work be taken. But we add a proviso that competent business men, including at least one sales executive, should be represented on the Executive Board that decides how the unemployment census should be conducted and carried out.